



**HINDUSTHAN UDYOG LTD.**

Registered Office :  
" TRINITY PLAZA" 3rd Floor  
84/1A, Topsia Road, (South)  
Kolkata- 700 046, India  
Phone : (033) 4055 6800  
Fax : (033) 4055 6863  
E-mail : hulho@hul.net.in  
CIN No. : L27120WB1947PLC015767

Date: 5<sup>th</sup> September, 2023

The Secretary  
Department of Corporate Services  
BSE Limited  
P. J. Towers, 25<sup>th</sup> Floor, Dalal Street  
Mumbai – 400001

**SUB: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2022-23**

Dear Sir,

Enclosed please find herewith a copy of the Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2023 in terms of Regulation 34(1) of SEBI (LODR) Regulations, 2015.

The above is for your information and records.

Thanking you.

Yours Faithfully,

FOR HINDUSTHAN UDYOG LIMITED

*Shikha Bajaj*



[SHIKHA BAJAJ]

COMPANY SECRETARY & COMPLIANCE OFFICER

ENCL: AS ABOVE



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### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 76<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company will be held on Friday, the 29<sup>th</sup> day of September, 2023 at 10.00 a.m. at the Registered Office of the Company at Trinity Plaza, 3<sup>rd</sup> Floor, 84/1A, Topsia Road (South), Kolkata-700046 to transact the following business:-

#### **ORDINARY BUSINESS:-**

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023 together with the Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Prakash Agarwal (DIN 00249468), who retires by rotation at this Meeting and being eligible offers himself for re-appointment.

#### **SPECIAL BUSINESS:-**

### **3. ALTERATION OF OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013 and the rules framed thereunder (including any statutory modifications or re-enactment thereof), consent of the Members of the Company be and is hereby accorded to append the following new sub-clauses (numbered 12 and 13) after existing sub-clause (11) of Clause 3(a) of the Memorandum of Association of the Company:

12. *To carry on the business of a holding and investment company, and to subscribe, acquire, hold, underwrite, invest in and dispose of shares, debentures, debenture stocks, bonds, mortgages, obligations or securities of any kind, issued or guaranteed by the central or state government or companies or partnership firms or body corporate or any other entities (including unincorporated entities), anywhere in India or elsewhere, either singly or jointly with any other person(s), body corporate or partnership firm or any other entity, and to deal with any such business in any manner.*

13. *To advance and to lend money to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary, associate or fellow subsidiary/associate of or any other company whether or not associated in any way with the company), with or without security or wholly or partly secured on any name upon any description of property, moveable or immovable, existing or future, on securities, policies, shares, bonds, debentures, debenture stocks, letter of goods, wares and merchandise, bills of sale, bills of lading or other mercantile indicia or tokens and to deposit money with or without securities with other companies or with any person, association of individuals or firms upon such terms as may be thought proper and from time to time carry on such transactions in such names as the Company may think fit and to receive interest or commission.*

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as deemed necessary, proper or desirable for giving effect to the aforesaid Resolution."

**REGISTERED OFFICE:**  
TRINITY PLAZA, 3<sup>RD</sup> FLOOR,  
84/1A, TOPSIA ROAD (SOUTH),  
KOLKATA-700046  
CIN: L27120WB1947PLC015767  
DATE: 29<sup>TH</sup> MAY, 2023

**BY ORDER OF THE BOARD  
FOR HINDUSTHAN UDYOG LIMITED**

  
[SHIKHA BAJAJ]  
COMPANY SECRETARY

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the meeting. Members are requested to note that a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
2. The Register of Members and Share Transfer Books will remain closed from 25.09.2023 (Monday) to 29.09.2023 (Friday) (both days Inclusive).
3. Relevant Statement pursuant to Section 102(1) of The Companies Act, 2013 in respect of special business is annexed hereto.
4. In terms of MCA Circulars and amendments made thereon dispensing with the requirements of sending physical copies of Annual Reports to the Shareholders in view of the Covid Pandemic, the Notice of AGM is being sent by mail only to those Shareholders who have registered their e-mail addresses with the Company/ Depositories. Members who have not registered their mail addresses are therefore requested to register/update the same with the Company's Registrar and Share Transfer Agent/Depositories. The Notice of the Meeting along with the Annual Report will be available on the Company's website [www.hul.net.in](http://www.hul.net.in) and the websites of the Stock Exchange. The Notice of the AGM shall also be available on the Website of National Securities Depository Limited (NSDL).
5. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44(1) of SEBI (LODR) Regulations, 2015, the Company is providing Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by NSDL.
6. The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
7. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
8. The remote e-voting period shall commence on Tuesday, 26<sup>th</sup> September, 2023 at 9:00 AM and end on Thursday, 28<sup>th</sup> September, 2023 at 5:00 PM. During this period the Members of the Company as on the cut-off date of 22<sup>nd</sup> September, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.



9. The details of process and manner for remote e-voting are explained herein below:-

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual members holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Member are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual members holding securities in demat mode is given below:

Type of members	Login Method
Individual Members holding securities in demat mode with NSDL.	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

	<p>4. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Members holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL Website <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a> and click on login icon &amp; New System Myeasi Tab and then use your existing easi username and password.</li> <li>2. After successful login the Easi/Easiest user will be also able to see the E-Voting option for eligible Companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting Service Provider for casting vote during remote e-voting period. Additionally, there are also links provided to access the system of all e-voting Service Providers so that the user can visit the e-voting Service Providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
<p>Individual Members (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at no.: 022 2499 7000 and 022 4886 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for members other than Individual members holding securities in demat mode**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares	EVEN Number followed by Folio Number

in Physical Form.	registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Password details for members other than Individual members are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e- Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for members**

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail r.vidhya9@gmail.com with a copy marked to evoting@nsdl.co.in.

Institutional members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on 'Upload Board Resolution/Authority Letter' displayed under 'e-voting' tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on no.: 022 2499 7000 and 022 4886 7000 or send a request to evoting@nsdl.co.in.

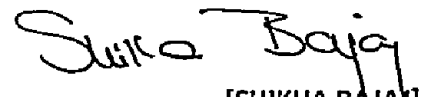
**Process for those members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to kkg@hul.net.in.
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to kkg@hul.net.in. If you are an Individual members holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual members holding securities in demat mode.
  3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
10. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2023.
  11. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> September, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Issuer at kkg@hul.net.in.
  12. A person, whose name is recorded in the Register of Members as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  13. Ms. Vidhya Baid, Company Secretary in Practice (Membership No. FCS-8882; CP No. 8686) has been appointed as the Scrutinizer for providing facility to the Members of the Company and to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  14. The Chairman of Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

15. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website and on the website of NSDL immediately after its declaration and shall also be communicated to the Stock Exchange.

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KOLKATA-700046  
CIN: L27120WB1947PLC015767  
DATE: 29<sup>TH</sup> MAY, 2023

BY ORDER OF THE BOARD  
FOR HINDUSTHAN UDYOG LIMITED

  
[SHIKHA BAJAR]  
COMPANY SECRETARY

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM NO. 3:**

Your Board of Director explores from time to time proposals for diversification into areas which would be profitable and beneficial for the growth of the Company. For this purpose, the Board of Directors of the Company had approved subject to Shareholders' approval and such other approvals as may be necessary alteration of the Object Clause of the Memorandum of Association (MOA) of the Company so as to include additional objects to enable it to consider new activities.

The Main Object Clause of MOA is proposed to be amended by appending the aforesaid sub-clauses 12 and 13 after existing sub-clause 11 of Clause 3(a) of MOA.

The draft Copy of the MOA (with proposed amendment) is available for inspection at the Registered Office during business hours on all working days upto the last date for voting. The amendment shall be effective upon the registration of the Resolution with the Registrar of the Companies, West Bengal.

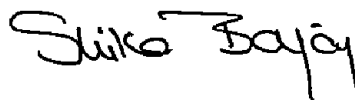
The proposed change of object clause requires the approval of Members through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

The Board of Directors, therefore, recommends the Special Resolution as set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 3 of the Notice.

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**BY ORDER OF THE BOARD  
FOR HINDUSTHAN UDYOG LIMITED**



**[SHIKHA BAJAJ]  
COMPANY SECRETARY**



**DISCLOSURE OF DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE AGM PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015**

<b>Name of the Director</b>	<b>MR. PRAKASH AGARWAL</b>
<b>Date of Birth</b>	<b>14.07.1971</b>
<b>Date of 1<sup>st</sup> Appointment</b>	<b>09.12.1998</b>
<b>Qualifications</b>	<b>B.E. (Mechanical)</b>
<b>No. of shares held</b>	<b>8,60,537 (13.89%)</b>
<b>Relationship with other Directors</b>	<b>Mr. Prakash Agarwal is son of Mr. V.N. Agarwal</b>
<b>Nature of Expertise</b>	<b>Having professional expertise in the Operations of Engineering Industry and wide experience in Global Marketing &amp; Overall Business Management including acquisitions and turnarounds</b>
<b>Other Directorships in Indian Companies</b>	<ol style="list-style-type: none"> <li>1. WPIL Limited</li> <li>2. Bengal Steel Industries Limited</li> <li>3. V.N. Enterprises Limited</li> <li>4. HSM Investments Limited</li> <li>5. Hindusthan Parsons Limited</li> <li>6. Macneill Electricals Limited</li> <li>7. Spaans Babcock India Limited</li> <li>8. Morgan Finvest Pvt. Limited</li> <li>9. Live-Life Buildcon Pvt. Limited</li> <li>10. Clyde Pumps India Pvt. Limited</li> </ol>
<b>Other Committee Memberships/ Chairmanships</b>	<u>In WPIL Limited</u> (a) Risk Management Committee - Chairman (b) Stakeholders Relationship Committee – Member (c) Share Transmission & Issue of Duplicate Shares Committee – Member (d) Corporate Social Responsibility Committee - Member

**DIRECTORS' REPORT  
TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED**

Your Directors have pleasure in presenting their 76<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2023.

**COMPANY PERFORMANCE:**

	<u>2022-23</u>	<u>2021-22</u>
<u>FINANCIAL RESULTS</u>	<u>RS. IN LAKHS</u>	<u>RS. IN LAKHS</u>
Profit/(Loss) from continued operations	3,244.93	474.32
Profit/(Loss) from discontinued operations	(477.46)	(433.77)
<b>Profit for the Year</b>	<b><u>2,767.47</u></b>	<b><u>40.55</u></b>

During the year, the Company has successfully completed the Sale of its Nagpur Unit (comprising of its Immoveable and Moveable Assets and Employee related liabilities). Accordingly, the Profit for the year from continued operations includes an Exceptional Item of Rs. 2,746.41 on account of Profit arising on sale of such assets and liabilities of said Unit. Besides that the performance of the Company during the year was stable.

**VOLUNTARY DELISTING**

During the year, the Equity Shares of the Company were delisted from The Calcutta Stock Exchange Limited with effect from 18<sup>th</sup> July, 2022 in terms of Regulation 5 of SEBI (Delisting of Equity Shares) Regulations, 2021. The Company continues to remain listed with BSE Limited, a Stock Exchange having nationwide trading terminals.

**DIVIDEND**

The Directors have considered to plough back the profits in business for better financial strength and as such they have not recommended any dividend for the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review is appended below:-

**A. BUSINESS**

The Company's Unit in Nagpur was engaged in the manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Earth Moving and Mining Equipment, Power Plants, Pumps, Valves, Compressors and other Heavy Engineering Industries.

**B. REVIEW OF OPERATIONS & FUTURE PROSPECTS**

The Board is presently exploring options to enhance and diversify its operations for long term growth.

### **C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS**

Your Company is exposed to threats and risks, as faced by Organizations of similar size and nature like adverse changes in the general economic and market conditions, changes in government policies and regulations etc.

### **D. INTERNAL CONTROL SYSTEM**

The Company has internal control procedures commensurate with the nature of its business and size of its operations. The objective of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial reports and due compliance of statutes and Company policies and procedures. The Internal Audit function is conducted by a Senior Management Team of the Company.

The adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

### **E. HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Industrial Relations were cordial during the year under review. There was no industrial relation related problem during the year.

### **F. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

The explanation for significant changes, if any, in the Key Financial Ratios in terms of the Listing Regulations and the Companies Act, 2013 are given in the Notes to the Financial Statements.

### **CORPORATE GOVERNANCE**

The principles of good Corporate Governance through professionalism, accountability, transparency, trusteeship and control have always been followed by your Company and it has complied with all the applicable provisions of Corporate Governance as per the Listing Regulations. A separate Report on Corporate Governance forms part of the Annual Report 2022-23 along with the Auditors' Certificate on its compliance in Annexure B.

### **DIRECTORS**

Mr. Prakash Agarwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His Brief Resume is attached to the Notice of the AGM.

### **NO. OF BOARD MEETINGS HELD**

During the year Ten Board Meetings were held on 30<sup>th</sup> May, 2022, 8<sup>th</sup> June, 2022, 29<sup>th</sup> June, 2022, 29<sup>th</sup> July, 2022, 12<sup>th</sup> August, 2022, 11<sup>th</sup> October, 2022, 11<sup>th</sup> November, 2022, 26<sup>th</sup> November, 2022, 6<sup>th</sup> December, 2022 and 13<sup>th</sup> February, 2023.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) of The Companies Act, 2013, the Directors state as follows that:-

- (i) in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2023 on a "going concern" basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such were adequate and operating effectively.

#### **POLICY FOR DIRECTORS APPOINTMENT**

The Company believes that in order to ensure that the Board of Directors can discharge their duties and responsibilities effectively; it aims to have a Board with optimum combination of experience and commitment with the presence of Independent Directors. Such Board can provide a long term plan for the Company's growth, improve the quality of governance and increase the confidence of its shareholders.

The Company has a policy in terms of Section 178(3) of The Companies Act, 2013 on directors' appointment and remuneration including the criteria for determining their qualifications, positive attributes and independence.

#### **BOARD EVALUATION**

The Board evaluated the effectiveness of its functioning and that of the Committees and of Individual Directors by seeking inputs on various aspects of Board/Committee Governance and considered and discussed in details the inputs received from the Directors.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in strategic planning and fulfillment of their obligations including but not limited to their participation in the Board/Committee Meetings.

#### **INDEPENDENT DIRECTORS DECLARATION**

The Independent Directors meet the criteria of being Independent (as prescribed in The Companies Act, 2013 and the Listing Regulations) and an Independency Certificate from them have been obtained.

## **ANNUAL RETURN**

As provided under Section 92(3) read with Section 134(3)(a) of The Companies Act, 2013, the Annual Return as on 31<sup>st</sup> March, 2023 in Form MGT-7 is available on the Website of the Company.

## **STATUTORY AUDITORS**

M/s Salarpuria & Partners, Chartered Accountants (Firm Registration No. 302113E) were re-appointed as the Statutory Auditors of the Company for a second term of 5 years commencing from the Financial Year 2022-23 till the conclusion of the AGM to be held in the year 2027.

## **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, the Board of Directors of the Company has appointed a Practicing Company Secretary to conduct the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report for the financial year ended 31.03.2023 is annexed herewith as Annexure C, as part of this Report.

## **COST AUDIT**

The Company is not required to maintain cost records in terms of Section 148(1) of The Companies Act, 2013.

## **RELATED PARTY TRANSACTIONS**

All contracts/arrangements/transactions entered by the Company with its Related Parties during the financial year were on arm's length basis and in the ordinary course of business. Hence, the provisions of Section 188 of The Companies Act, 2013 and disclosure in Form AOC-2 are not applicable. The transactions with Related Parties are disclosed in the Notes to the Financial Statements.

## **PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES**

Details of Loans, Investments and Guarantees, if any, given/made by the Company are disclosed in the Notes to the Financial Statements.

## **VIGIL MECHANISM**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism of Directors and Employees has been established, details of which are given in the Corporate Governance Report.

## **RISK MANAGEMENT**

Risk Management is the process of identification, assessment and prioritization of risks to minimize/mitigate/monitor the probability and/or impact of unfortunate events. Risk Management Policy enables the Company to manage such uncertainties and changes in the internal and external environment to reduce their negative impact. The Board of Directors of

the Company, as and when needed, develops such policies for assessing and managing the risks in accordance with the requirements of the Companies Act, 2013.

#### **PARTICULARS OF EMPLOYEES**

Information required to be given pursuant to the provisions of section 197(12) of The Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure D. There were no employees who were in receipt of remuneration in excess of limits provided in Rule 5(2)(i to iii) of said Rules.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

Particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of The Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the Annexure A.

#### **CODE OF CONDUCT**

Your Company has formulated a Code of Conduct which applies to Board Members and Senior Management Personnel of the Company. Confirmations towards adherence to the Code during the Financial Year 2022-23 have been obtained from all the Board Members and Senior Management Personnel in terms of the Listing Regulations and a declaration relating to compliance of this code during the year by all Board Members and Senior Management Personnel has been given by the Managing Director of the Company which accompanies this report.

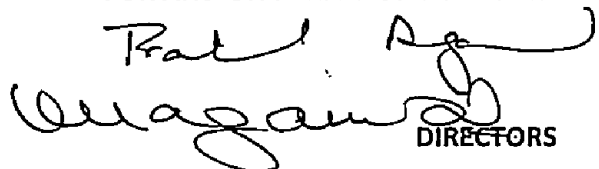
#### **MATERIAL CHANGES AND COMMITMENT**

There were no material changes and commitments affecting the financial position of the Company which has occurred between the financial year to which these Financial Statements relate and date of this report.

#### **ACKNOWLEDGEMENTS**

Your Directors would like to thank shareholders, customers, suppliers, bankers, employees and all other business associates for the support given by them to the Company and their confidence in its management.

**FOR AND ON BEHALF OF THE BOARD**

  
DIRECTORS

PLACE: KOLKATA  
DATE: 29<sup>TH</sup> MAY, 2023

ANNEXURE-A

**PARTICULARS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

**ENERGY CONSERVATION MEASURES TAKEN:**

The Company endeavored to control and reduce the energy consumption per unit of production. Energy Conservation Measures taken by the Company were:-

- i) Replacement of motors/ pumps/ lighting with energy efficient models.
- ii) Optimization of electrical distribution system.
- iii) Use of mostly Induction Furnaces for melting instead of Electric ARC Furnace.
- iv) Rationalization of Pump Capacities and use of pumps with lower power ratings with the same efficiency.
- v) Use of duplex billets instead of Loose Scrap for manufacturing of Duplex Steel Castings.

**TECHNOLOGY ABSORPTION:**

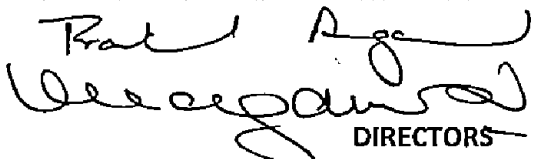
Research and Development, as required, was carried on for improvement in the quality of the products and production process so as to bring them in line with the requirements of Customers or Industry Standards. Expenditure on Research and Development were charged under primary heads of accounts.

The Company has not imported any new technology during the last three years reckoned from the beginning of the Current Financial Year i.e. 1<sup>st</sup> April, 2022.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange earned	RS. 119.89 Lakhs
Foreign Exchange used	----

PLACE: KOLKATA  
DATE: 29<sup>TH</sup> MAY, 2023

FOR AND ON BEHALF OF THE BOARD  
  
DIRECTORS

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance:-

### 1) THE COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance practices stem from culture and mind set of the organization. As stakeholders across the country evidence keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage.

The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. It aims to constantly review its systems and procedures at all levels to achieve the highest level of Corporate Governance in the overall interest of all the Shareholders.

The details of compliances made by the Company for the year ended 31<sup>st</sup> March, 2023 are as follows:

### 2) BOARD OF DIRECTORS

- The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that long term interests of the shareholders are being served.
- The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on 31.03.2023 the Company's Board consisted of Five Directors who are eminent Professionals with experience and expertise in Business, Industry, Finance and Law.

#### - Criteria for identification of core skill/expertise/competence of Board Members

The Company aims to have a Board with an ideal combination of experience and commitment to ensure that it discharges its duties and responsibilities effectively. In this regards, the Board of Directors have identified the following core skills/expertise/competencies that shall enable it to function effectively and are actually available with it:-

- (i) Leadership
- (ii) Familiarities with the business of the Company
- (iii) Exposure on various laws
- (iv) Expertise in Operations
- (v) Analytical skills
- (vi) Experience of administration and finance functions



The Board is satisfied that the current Board composition meets the requirements of skills/expertise/competencies, as identified above.

- The Composition of the Board as on 31.03.2023 are as follows:-

Sl.	Category	Nos.	% of Total
1.	Executive Director & Promoter - Managing Director	1	20.00
2.	Non-Executive Director & Promoter	1	20.00
3.	Non-Executive & Independent Director	3	60.00
	<b>TOTAL</b>	<b>5</b>	<b>100.00</b>

- Details relating to the Composition of the Board as on 31.03.2023 are as follows:-

Sl.	Name of Board Member	Category	No. of other Directorships In Indian Companies	No. of other Board Committee(s) of which he/she is a Member	No. of other Board Committee(s) of which he/she is a Chairperson
1.	Mr. V. N. Agarwal DIN:00408731	Managing Director & Promoter	4	2	---
2.	Mr. Prakash Agarwal DIN:00249468	Non - Executive & Promoter	10	1	--
3.	Mr. S.K. Roychowdhury DIN: 09116850	Non - Executive & Independent	2	2	1
4.	Mr. B.K. Mawandia DIN:08770046	Non - Executive & Independent	1	--	--
5.	Mrs. Kiran Darolia DIN:08240886	Non - Executive & Independent (Woman Director)	1	--	--

- The Committee Memberships/Chairmanships considers Audit Committee and Stakeholders Relationship Committee only.
- Mr. Prakash Agarwal is the son of Mr. V.N. Agarwal
- The Non-Executive Directors do not hold any shares in the Company except for Mr. Prakash Agarwal whose shareholding in the Company is 8,60,537 shares.

- In the opinion of the Board of Directors the Independent Directors fulfill the conditions as specified in the SEBI (LODR) Regulations, 2015 and are independent of management.

- Details regarding the directorships of the Board Members in Listed Entities as on 31<sup>st</sup> March, 2023 are given below:-

SL.	DIRECTOR NAME	LISTED ENTITY NAME	CATEGORY OF DIRECTORSHIP
1.	Mr. V.N. Agarwal	a) Hindusthan Udyog Limited b) Asutosh Enterprises Limited c) Bengal Steel Industries Limited	Managing Director Non-Executive & Promoter Non-Executive & Promoter
2.	Mr. Prakash Agarwal	a) WPIL Limited b) Hindusthan Udyog Limited c) Bengal Steel Industries Limited	Managing Director Non-Executive & Promoter Non-Executive & Promoter
3.	Mr. S.K. Roychowdhury	a) Hindusthan Udyog Limited b) Asutosh Enterprises Limited c) Bengal Steel Industries Limited	Independent Independent Independent
4.	Mr. B.K. Mawandia	a) Hindusthan Udyog Limited	Independent
5.	Mrs. Kiran Darolia	a) Hindusthan Udyog Limited	Independent

### 3) BOARD MEETINGS & AGM HELD DURING THE FINANCIAL YEAR 2022 - 23

(i) During the Financial Year 2022-23 Ten Board Meetings were held on:-

30<sup>th</sup> May, 2022, 8<sup>th</sup> June, 2022, 29<sup>th</sup> June, 2022, 29<sup>th</sup> July, 2022, 12<sup>th</sup> August, 2022, 11<sup>th</sup> October, 2022, 11<sup>th</sup> November, 2022, 26<sup>th</sup> November, 2022, 6<sup>th</sup> December, 2022 and 13<sup>th</sup> February, 2023.

(ii) Attendance record of the Directors at the Board Meetings and the last AGM are as follows:-

Name of Board Member	No. of Board Meetings Attended	Attendance at last AGM i.e. 15.09.2022
Mr. V. N. Agarwal	10	Yes
Mr. Prakash Agarwal	9	No
Mr. S.K. Roychowdhury	10	Yes
Mr. B.K. Mawandia	10	Yes
Mrs. Kiran Darolia	10	No

**4) BOARD MEETINGS**

- i) The Company's Governance policy requires the Board to meet at least four times in a year with a time gap between any two Board Meetings not exceeding one hundred and twenty days.
- ii) In terms of Company's Corporate Governance Policy, all statutory, significant and material information (including compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances) are placed before the Board to enable it to discharge its responsibility.
- iii) The Internal Guidelines for Board Meetings facilitate the decision making process at the Meeting of the Board in an informed and efficient manner.

**5) BOARD AGENDA**

Meetings are governed by structured Agenda. The Board Members in consultation with the Chairman may bring up any matter for the consideration of the Board.

**6) BOARD PROCEDURE**

- (i) The Members of the Board are provided with requisite information as required by Part A of Schedule II read with Regulation 17(7) of SEBI (LODR) Regulations 2015 well before the Board Meetings and the same were dealt with appropriately.
- (ii) All Directors who are in various committees are within the permissible limits in terms of Regulation 26(1) of SEBI (LODR) Regulations, 2015. The Directors from time to time have intimated to the Company their Memberships/ Chairmanships in various Committees in other Companies.

**7) POST MEETING FOLLOW UP SYSTEM**

The Governance process in the Company includes an effective post-meeting follow up, review and reporting process for action taken/pending on decision of the Board/Board Committees.

**8) SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors held a Meeting on 29<sup>th</sup> July, 2022 without the presence of any Non-Independent Directors and Members of Management wherein they (i) reviewed the performance of Non-Independent Directors and the Board as a whole and (ii) assessed the quality, quantity and timelines of flow of information between the Company Management and Board that was necessary for the Board to effectively and reasonably perform their duties.

**9) FAMILIARIZATION PROGRAMME**

The Company takes steps to familiarize its Independent Directors about the Company's organization structure, operations, business model, procedures and practices, industry in

which it operates and their role and responsibilities through necessary documents, reports and internal policies. The details of such programs are available on the Company's website.

**10) VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism for the Directors and Employees which enable them to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The mechanism also provides for adequate safeguards against victimization of Directors/Employees who avail the mechanism.

This functioning of this Policy is reviewed by the Audit Committee and it is ensured that no employee is denied access to the Committee. During the year ended 31<sup>st</sup> March, 2023, there was no instance where an Employee was denied access to the Audit Committee in this regards.

**11) COMMITTEES OF THE BOARD**

Currently there are three Board Committees - the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed Minutes of Board Committee Meetings are placed at the Board Meetings for the information of the Board.

**i) AUDIT COMMITTEE**

Audit Committee of the Board, inter alia provides re-assurance to the Board on the existence of an effective internal control environment that ensures:-

- (a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Compliance with Listing and legal requirements concerning financial statements.
- (c) Recommending to the Board the appointment/re-appointment of Statutory Auditors, fixation of their Audit Fees and approving payments made for any other services rendered by them.
- (d) Reviewing with the Management the Quarterly and the Annual Financial Statements before submission to the Board for approval.
- (e) Reviewing with the management the independence and performance of the Statutory Auditors and the adequacy of internal control function and risk management systems.

- (f) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- (g) Reviewing the Internal Audit function and the progress in the implementation of recommendations contained in the Internal Audit Report, if any.
- (h) Efficiency and effectiveness of operations.
- (i) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (j) Reliability of financial and other management information and adequacy of disclosures
- (k) Compliance with all relevant statutes.
- (l) Review/Approval of Company's Related Parties Transactions including inter-corporate loans and investments, if any.
- (m) Reviewing the functioning of Whistle Blower mechanism.
- (n) Approval of appointment of Chief Financial Officer after considering his/her qualifications, experience, background etc.
- (o) Considering and commenting on rationale, cost benefits and impact of Schemes involving merger, demerger, amalgamation etc of the Company and its Shareholders.

The composition of the Audit Committee as on 31.03.2023 was as follows:-

Name of the Director	Chairman/ Member	Category
Mr. B.K. Mawandia	Chairman	Non-Executive & Independent
Mr. Prakash Agarwal	Member	Non-Executive & Promoter
Mrs. Kiran Darolia	Member	Non-Executive & Independent

During the Financial Year 2022-23 Six Audit Committee Meetings were held on 30<sup>th</sup> May, 2022, 29<sup>th</sup> July, 2022, 12<sup>th</sup> August, 2022, 11<sup>th</sup> November, 2022, 6<sup>th</sup> December, 2022 and 13<sup>th</sup> February, 2023.

The Attendance of the Members at the said Meetings is given below:-

Name of the Director	No. of meetings attended
Mr. B.K. Mawandia	6
Mr. Prakash Agarwal	5
Mrs. Kiran Darolia	6

ii) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees redressal of Shareholders grievances relating to transmission of shares, non-receipt of Annual Report, general meetings etc.

The said Committee as on 31<sup>st</sup> March, 2023 consisted of Mr. B.K. Mawandia, Mr. Prakash Agarwal and Mrs. Kiran Darolia with Mr. B.K. Mawandia as the Chairman of the Committee.

Ms. Shikha Bajaj, Company Secretary acts as the Compliance Officer of the Company.

A Meeting of the Members of Stakeholders Relationship Committee was held on 13<sup>th</sup> February, 2023.

a

During the year ended 31<sup>st</sup> March 2023, no complaints/queries were received and no complaint/query was pending to be resolved as on 31<sup>st</sup> March, 2023.

iii) **NOMINATION AND REMUNERATION COMMITTEE**

The terms of reference of Nomination and Remuneration Committee involves:-

- (a) Formulation of criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management.
- (b) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- (c) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors.

The Composition of the Nomination and Remuneration Committee as on 31.03.2023 was as follows:-

Name of Director	Chairman/Member
Mrs. Kiran Darolia	Chairman
Mr. Prakash Agarwal	Member
Mr. B.K. Mawandia	Member

During the Financial Year 2022-23 a Meeting of Nomination and Remuneration Committee was held on 13<sup>th</sup> February, 2023 which was attended by all of its Committee Members.

The Criteria for performance evaluation of Independent Directors is given below:-

- (a) Updated on skills, knowledge, familiarity with the Company, its business and the external environment in which it operates.
- (b) Participates in development of strategies.
- (c) Committed to the fulfillment of Directors obligations and fiduciary responsibilities.
- (d) Quality of analysis and judgment related to progress, opportunities and need for changes.
- (e) Contributes adequately to address the top management issues.
- (f) Considers adequately before approving any Related Party Transactions.
- (g) Acts within authority and assists in protecting the legitimate interests of Company, Shareholders and its employees.
- (h) Ensures that vigil mechanism has been properly implemented and monitored.
- (i) Reports concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.
- (j) Does not disclose confidential information, commercial secrets, technologies, unpublished price sensitive information unless such disclosure is approved by the Board or required by law.

Details of Remuneration paid to Mr. V.N. Agarwal as Managing Director during the year 2022-23 are as follows:-

Salary	Perquisites	Total
Rs. 30,00,000/-	-----	Rs. 30,00,000/-

Apart from Sitting Fees, no other remuneration is paid/payable to the Non-Executive Directors. Sitting fees paid to the Non-Executive Directors for the financial year ended 31<sup>st</sup> March, 2023 were as follows:-

Name of the Director	Sitting Fees paid
Mr. Prakash Agarwal	Rs. 9,000/-
Mr. S.K. Roychowdhury	Rs. 10,000/-
Mr. B.K. Mawandia	Rs. 10,000/-
Mrs. Kiran Darolia	Rs. 10,000/-

12) **GENERAL MEETINGS**

i) Details of Annual General Meeting (AGM) held in the last three years are as under:-

Financial Year	Location	Date	Time
2021 - 2022	Registered Office at : Trinity Plaza, 3 <sup>rd</sup> Floor, 84/1A, Topsia Road (South), Kolkata-700046.	15 <sup>th</sup> September, 2022	10.00 a.m.
2020 - 2021		29 <sup>th</sup> September, 2021	10.00 a.m.
2019 – 2020		28 <sup>th</sup> September, 2020	10.00 a.m.

ii) Whether any Special Resolutions were : Yes  
passed in the previous Three AGMs

At AGM held on 15.09.2022

a) Continuation of Directorship of Mr. S.K. Roychowdhury as an Independent Director in terms of Regulation 17(1A) of SEBI (LODR) Regulations, 2015

b) Postponement of date of Redemption of Preference Shares

c) Making of Loans, Investments and Guarantees under Section 186 of The Companies Act, 2013 ('the Act')

d) Granting of Loans, Guarantee and Security in terms of Section 185 of the Act

At AGM held on 29.09.2021

a) Reappointment of Mr. V.N. Agarwal as Managing Director for a period of 3 years with effect from 01.01.2021

At AGM held on 28.09.2020

a) Granting of Loans, Guarantee and Security in terms of Section 185 of the Act

iii) Whether Special Resolutions were put : The following Resolutions were passed  
through Postal Ballot last year through Postal Ballot during the year:-

a) Authority under Section 180(1)(c) of the Act to borrow funds

b) Authority under Section 180(1)(a) of the Act to sell, lease or dispose



undertakings of Company

- iv) Details of Voting Pattern - Postal Ballot:- :
- |                               |                  |
|-------------------------------|------------------|
| a) Method of Voting           | E-Voting         |
| b) Total Shares               | 61,94,996        |
| c) Number of Votes Polled     | 41,31,949        |
| d) Votes in Favour (Nos. & %) | 41,31,949 (100%) |
| e) Votes Against (Nos. & %)   | NIL              |
- v) Person who conducted the Postal Ballot exercise : Ms. Rinku Gupta (Membership No. FCS-9237), Practicing Company Secretary conducted the aforesaid Postal Ballot exercise in a fair and transparent manner.
- vi) Are Special Resolutions proposed to be put through Postal Ballot this year : The following Resolutions are proposed through Postal Ballot this year:-
- |  |
|--|
| a) Alteration of Object Clause of Memorandum of Association                                  |
| b) Approval of Material Related Party Transactions in terms of SEBI (LODR) Regulations, 2015 |
- vii) Procedure to be followed for Postal Ballot (if applicable) : In accordance with the applicable provisions of the Act read with the Rules made thereunder.

**13) DISCLOSURES**

- i) There are no materially significant transactions with the Related Parties that may have potential conflict with the interests of the Company at large, except as disclosed in the Notes to the Financial Statements. The policy on dealing with Related Parties is available on the website of the Company at [www.hul.net.in/investor.php](http://www.hul.net.in/investor.php)
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.
- iii) Your Company has a well laid out Code of Conduct and Business Ethics for the Board of Directors and Senior Management Personnel. It is one of the best means for increasing the transparency in the working of the Companies. The Board Members and the Senior Management Personnel of the Company adhere to this principle and compliance with the same is affirmed by each of them annually.

- iv) The Company is in compliance with the requirements of the Corporate Governance, which reflects in this Report.
- v) The Members of the Company at their AGM held on 15.09.2022 had authorized the Board of Directors to fix the remuneration payable to the Statutory Auditors in consultation with them. Based on the recommendation of the Audit Committee and after consulting the Statutory Auditors, the Board of Directors have approved Rs. 4.80 Lakhs towards remuneration payable to the Statutory Auditors of the Company for the services rendered by them during the Financial Year 2022-23.
- vi) In line with the amended SEBI regulations, a Certificate from a Company Secretary in Practice is obtained by the Company confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI/Ministry of Corporate Affairs or any other statutory authority.
- vii) There was no complaints filed during the year in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 nor were there any such complaints pending to be resolved as on 31<sup>st</sup> March, 2023.
- viii) The Company has not given any Loans or Advances in the nature of loans to Firms/Companies in which the Directors of the Company are interested.
- ix) The Company did not have any material Subsidiary during the year.

#### **14) MEANS OF COMMUNICATIONS**

- (i) **Quarterly Results:** - Quarterly Results are generally announced within a period of 45 days from the end of the relevant Quarter (except for the last quarter) and are published in The Financial Express (English) and Ekdin (Bengali) Newspapers. In place of the results for the last quarter, the Company opts to submit the Audited Financial results for the entire financial year.
- (ii) **Annual Reports:** - Audited Annual Accounts, Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto.
- (iii) **Website:** - The Quarterly Results are displayed on the Website of the Company ([www.hul.net.in](http://www.hul.net.in)).
- (iv) **Official News Releases:** - Official News Releases, if any, are displayed on the Website of the Company.
- (v) **Displays, Presentations etc:** - Displays, presentations etc are not made to Institutional Investors/Analysts and hence not displayed on the Company's Website.

15) **GENERAL SHAREHOLDERS' INFORMATION**

(i) **Company Registration Details**

The Company is registered in the State of West Bengal. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L27120WB1947PLC015767.

(ii) **Annual General Meeting to be held – Day, Date, Time and Venue:**

Sl. No.	Particulars	Remark
A.	Day	Friday
B.	Date	29 <sup>th</sup> day of September 2023
C.	Time	10.00 a.m.
D.	Venue	Registered Office at: Trinity Plaza, 3 <sup>rd</sup> Floor, 84/1A, Topsia Road (South), Kolkata-700046.

(iii) **Financial Calendar for the Year 2023 - 24**

Sl.	Particulars	Remarks
A.	1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June, 2023	Before 14 <sup>th</sup> August, 2023
B.	2 <sup>nd</sup> Quarter and Half-year ending 30 <sup>th</sup> September, 2023	Before 14 <sup>th</sup> November, 2023
C.	3 <sup>rd</sup> Quarter ending 31 <sup>st</sup> December, 2023	Before 14 <sup>th</sup> February, 2024
D.	4 <sup>th</sup> Quarter & Year ending 31 <sup>st</sup> March, 2024	Before 30 <sup>th</sup> May, 2024

(iv) **Dates of Book Closure:** 25.09.2023 to 29.09.2023  
(Both days inclusive for the purpose of AGM)

(v) **Dividend payment date:** Not applicable since no dividend has been recommended for the year ended 31<sup>st</sup> March, 2023.

(vi) **Name of the Stock Exchange at which Equity Shares are listed and Scrip Code assigned to the Company's shares at the respective Stock Exchanges:**

The Equity Shares of the Company as of 31<sup>st</sup> March, 2023 are listed on BSE Limited with Scrip Code: 513039.

The listing fees for the Financial Year 2023-24 has been paid to the Stock Exchange.

(vii) **Market Price Data:**

There was no trading of the shares of the Company at the Stock Exchange(s) during the year ended 31<sup>st</sup> March, 2023.

**(viii) Registrars and Share Transfer Agents:**

M/s Link Intime India Private Limited are the Registrar and Share Transfer Agents (RTA) of the Company.

Shareholders may address all their correspondences/queries relating to Dematerialization of Shares, transfer/transmission of physical securities i.e. those permitted as per SEBI (LODR) Regulations, 2015, change of address, non-receipt of dividend or any other query relating to the Shares of the Company to them at the below mentioned Address:-

**LINK INTIME INDIA PRIVATE LIMITED**  
Vaishno Chambers, 5<sup>th</sup> Floor,  
6, Brabourne Road, Flat Nos. 502 & 503,  
Kolkata – 700001  
Tel : 033 4004 9728  
Fax No: 033 4073 1698  
E-mail ID : kolkata@linkintime.co.in

**(ix) Common and simplified norms for Investor Service Request:**

In terms of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023, the Folios of Shareholders, holding shares in physical form, wherein all details (namely PAN, email address, mobile number, bank account details, specimen signature and nomination) are not available on or after 1<sup>st</sup> October 2023 shall be frozen by the RTA and the Shareholder shall not thereon be eligible to lodge any grievance or avail any service request. Shareholders are accordingly requested to update the said details by submitting the prescribed forms with the Company or its RTA.

**(x) Share Transfer/Transmission System:**

All work relating to transfer/transmission of Physical Shares are processed by the Company's RTA at their above mentioned Address within the stipulated timeframes.

In terms of the Listing Regulations, the Company obtains Certificate from a Company Secretary in practice on a yearly basis for due compliance of aforesaid formalities.

**(xi) Dematerialization of Equity Shares:-**

The Equity Shares of the Company are admitted with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for enabling the Investors to hold and trade in the shares of the Company in dematerialized form.

The ISIN Number as activated by both CDSL and NSDL in respect of our Equity Shares is INE582K01018.

As on 31<sup>st</sup> March, 2023, 45,55,132 Equity Shares representing 73.53% of the Company's Total Equity Shares were held in dematerialized form.

(xii) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and like impact on Equity:**

NOT APPLICABLE [The Company has not issued any GDRs/ADRs/ Warrants or any other Convertible Instruments]

(xiii) **Distribution Schedule:**

The Distribution Pattern of the Equity Shares of the Company as on 31<sup>st</sup> March, 2023 is given below:-

Sl. No.	No. of Equity Shares held	No. of Holders	% of total holders	No. of Shares	% of Shareholding
1.	1 - 5000	39	42.86	75,273	1.22
2.	5001 - 10000	12	13.19	91,848	1.48
3.	10001 - 50000	30	32.97	7,41,103	11.96
4.	50001 - 100000	2	2.20	1,15,267	1.86
5.	100001 - 500000	3	3.30	6,00,837	9.70
6.	500001 - above	5	5.48	45,70,668	73.78
	<b>Total</b>	<b>91</b>	<b>100.00</b>	<b>61,94,996</b>	<b>100.00</b>

(xiv) **Shareholding Pattern as on 31<sup>st</sup> March, 2023:-**

	Category	Nos.	%
<b>A.</b>	<b>Promoters' holding :</b>		
	<b>1. Indian Promoters</b>		
	-- Individuals	8,60,537	13.89
	-- Corporate Bodies	32,71,519	52.81
	<b>Sub-Total</b>	<b>41,32,056</b>	<b>66.70</b>
<b>B.</b>	<b>Non-Promoters' holding :</b>		
	<b>1. Institutional Investors</b>	-----	-----
	<b>2. Others :</b>		
	-- Corporate Bodies	2,54,485	4.11
	-- Indian Public	18,08,455	29.19
	<b>Sub-Total</b>	<b>20,62,940</b>	<b>33.30</b>
	<b>GRAND TOTAL</b>	<b>61,94,996</b>	<b>100.00</b>

(xv) **Commodity price risk or foreign exchange risk and hedging activities**

NOT APPLICABLE [The Company has got no significant exposure in respect of commodity price risk or foreign exchange risk and has not undertaken any hedging activity]

(xvi) Credit Ratings obtained by the Company on its debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds

NOT APPLICABLE [The Company has no debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds]

(xvii) Plant Locations:

A-1/2, Butibori Industrial Area, Ruikhairi, MIDC-Butibori, Dist Nagpur - 441122

(xviii) Address for correspondence:

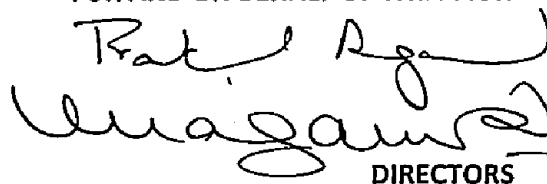
Shareholders should address their correspondence to Company's RTA at their above mentioned Address or to Secretarial Department of Company at the following address:-

**HINDUSTHAN UDYOG LIMITED**

Trinity Plaza, 3<sup>rd</sup> Floor,  
84/1A, Topsia Road (South),  
Kolkata – 700046  
Tel : 033 4055 6800/6808  
Fax No: 033 4055 6863  
E-mail ID : kkg@hul.net.in

The above report has been placed before the Board at its Meeting held on 29th May, 2023 and the same was approved.

FOR AND ON BEHALF OF THE BOARD

  
DIRECTORS

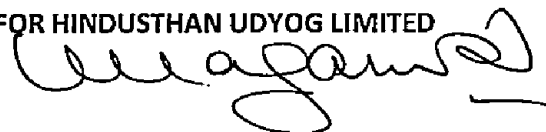
PLACE: KOLKATA

DATE: 29<sup>TH</sup> MAY, 2023

**DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all Board Members and Senior Management Personnel affirmation that they have complied with Code of Business Conduct and Ethics for Directors and Senior Management Personnel in respect of the Financial Year 2022-23.

FOR HINDUSTHAN UDYOG LIMITED



PLACE: KOLKATA

DATE: 29<sup>TH</sup> MAY, 2023

[V. N. AGARWAL]  
MANAGING DIRECTOR



**SALARPURIA & PARTNERS**  
Chartered Accountants

Tel. Address : "Checkchart(C)"  
Cal. Office : 2237 5400/5401  
: 2236 0560/4562  
Fax : (91) (033) 2225 0992  
E-mail : salarpuria.jajodia@rediffmail.com  
office@salarpuriajajodia.com

7, CHITTARANJAN AVENUE, KOLKATA - 700 072  
BRANCH : 4th FLOOR, "SALARPURIA WINDSOR" 3 ULSOOR ROAD, BANGALORE - 560042  
ALSO AT : 1008, CHIRANJIVI TOWER, 43, NEHRU PLACE, NEW DELHI-110019, TELEFAX : 2623 3894

**AUDITORS' CERTIFICATE**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

TO  
THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

We have examined the compliance of conditions of Corporate Governance by *Hindusthan Udyog Limited* for the year ended 31<sup>st</sup> March 2023, as stipulated in Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) and para C, D & E of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to the procedures and the implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR SALARPURIA & PARTNERS  
CHARTERED ACCOUNTANTS

FRN 302113E  
Amit Kumar Sureka

*Amit Kumar Sureka*

Chartered Accountant  
PARTNER No.-304607  
MEMBERSHIP NO. 304607  
PLACE: KOLKATA

DATE: 29.05.2023

UDIN: 23304607BHALRE4348





**Rinku Gupta & Associates**

**Company Secretaries**

Office : Todi Mansion,  
1 Lu Shun Sarani, 13<sup>th</sup> floor  
Room no 1311, Mob -9883046454  
Email:csrinku.gupta@gmail.com

**ANNEXURE - C**

Form MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**TO**  
**THE MEMBERS OF**  
**HINDUSTHAN UDYOG LIMITED**  
TRINITY PLAZA, 3RD FLOOR,  
84/1A, TOPSIA ROAD (SOUTH),  
KOLKATA -700046

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **HINDUSTHAN UDYOG LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, Papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2023** according to the applicable provisions of:-
  - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under (Not applicable to the Company during audit period);
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during audit period);
  - d. The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during audit period);
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);
- (vi) There are no such laws that are specifically applicable to the Company with respect to the sector in which it is operating.

2. We have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments thereto.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

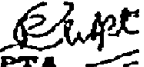
3. We further report that:-

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. There was no change in the composition of the Board of Directors during the year under review;
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting;
- (c) Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.

4. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. We further report that during the audit period the Equity Shares of the Company were voluntarily delisted from Calcutta Stock Exchange, effective from 18<sup>th</sup> July, 2022, pursuant to an application made by the Company under Regulation 5 of SEBI (Delisting of Equity Shares) Regulations, 2021.

FOR RINKU GUPTA & ASSOCIATES  
COMPANY SECRETARIES

  
**RINKU GUPTA**  
Company Secretary In Practise  
**RINKU GUPTA**  
COMPANY SECRETARY IN PRACTISE  
FCS: 9237, CP NO.: 9248

PLACE: KOLKATA  
DATE: 29-05-2023

UDIN: F009237E000408231



**PARTICULARS OF EMPLOYEE AND RELATED DISCLOSURES**

- (a) Ratio of remuneration of each Director to the median remuneration of Company's employees for the financial year.

SL.	DIRECTOR NAME	DESIGNATION	RATIO TO MEDIAN REMUNERATION
1	Mr. V.N. Agarwal	Managing Director	6.17

The Other Directors of the Company only received Sitting Fees for attending the Board Meetings and accordingly their remuneration and ratio of same to median remuneration are very negligible, hence not reported separately.

- (b) Percentage increase in remuneration of each Director and KMP during the Financial Year

Sl.	Name	Designation	Remuneration paid FY 2022-23 (Rs. In Lakhs)	Remuneration paid FY 2021-22 (Rs. In Lakhs)	Increase in remuneration (Rs. In Lakhs)
1	Mr. V. N. Agarwal	Managing Director	30.00	30.00	---
2	Ms. Shikha Bajaj	Company Secretary & CFO	15.22	13.07	2.15

There was no increase in the remuneration of the Other Directors of the Company as they are not paid any remuneration except for Sitting Fees for attending the Board Meetings.

- (c) The percentage increase in the median remuneration of employee during the Financial Year was around 5%
- (d) The number of Permanent employees on the rolls of the Company is 99.
- (e) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and whether there are any exceptional circumstances for increase in managerial remuneration.

The average annual increase in the salaries of employees is around 5% and the same is on account of yearly increments. However, there was no increase in managerial remuneration during the year. Same is not done annually and is taken up at the time of reappointment which is generally once in three years.

FOR AND ON BEHALF OF THE BOARD

*Prat Agarwal*  
*U. Jagannath*  
 DIRECTORS

PLACE: KOLKATA  
 DATE: 29<sup>TH</sup> MAY, 2023



# Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072

Phone : 2237 5400 / 5401, 4014 5400 - 5410

website : www.salarpuriajajodia.com

e-mail : salarpuria.jajodia@rediffmail.com

office@salarpuriajajodia.com

Branches at New Delhi & Bangalore

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of Hindusthan Udyog Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the Standalone Ind AS Financial Statements of *Hindusthan Udyog Limited* ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its *Profit* including Other Comprehensive Income, its cash flows and the changes in Equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS Financial Statements.

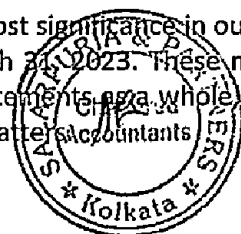
### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the Financial Statements:

- Note No. 2 to the Financial Statements which describes that no provision for amortization has been made for long term Leasehold Land at Durgapur.
- The company filed a lawsuit against Mahanadi Coalfields Ltd. For recovery of ₹ 91.93 lacs at Cuttack High court for which no provision has been made in the accounts.
- The Company has discontinued its operations at Nagpur Unit since it has sold/transferred its Property, Plant and Equipment to its Associate, i.e. WPIL Limited.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





# Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072  
Phone : 2237 5400 / 5401, 4014 5400 - 5410  
website : www.salarpuriajajodia.com  
e-mail : salarpuria.jajodia@rediffmail.com  
office@salarpuriajajodia.com  
Branches at New Delhi & Bangalore

We have determined the matter described below to be the key audit matter to be communicated in our report.

The Key Audit Matter	How was the matter addressed in our audit
<b>Assessment of litigation and contingent liabilities and their related disclosures (refer note 26.1 to the standalone Ind AS financial statements)</b>	
<ul style="list-style-type: none"><li>As at 31st March, 2023 Company has exposure towards litigations related to Direct Tax and Indirect Tax. The Company's management performs an assessment of pending litigations and mixed decision thereof. As the ultimate outcome of the matters are uncertain and the positions taken are based on application of the best judgement including those relating to interpretation of laws/regulations and company's status to bear such litigation related to Direct Tax and Indirect Tax, it is considered to be as the Key Audit Matter.</li></ul>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"><li>Tested the design and implementation of internal control over the quantification of the estimates used as well as the operating effectiveness of such control.</li><li>Discussed with Company's tax/legal team, the recent developments and status of the material litigations matters relating to Direct Tax and Indirect Tax which were reviewed and noted by Board of Directors.</li><li>Assess the adequacy of the company's disclosure.</li><li>Based on the above work performed, Company's tax/legal team's assessment in respect of litigations related to Direct Tax and Indirect Tax and related disclosures under contingent liability in the financial statements are considered to be reasonable.</li></ul>

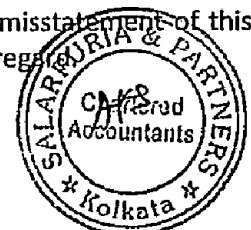
### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.





# Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072

Phone : 2237 5400 / 5401, 4014 5400 - 5410

website : [www.salarpuriajajodia.com](http://www.salarpuriajajodia.com)

e-mail : [salarpuria.jajodia@rediffmail.com](mailto:salarpuria.jajodia@rediffmail.com)

[office@salarpuriajajodia.com](mailto:office@salarpuriajajodia.com)

Branches at New Delhi & Bangalore

## ***Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statement.***

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant of the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

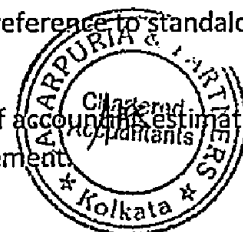
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Ind AS Financial Statements***

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of user taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the management.





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Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matters**

As per the agreement, the company has sold/transfer its Assets and Liabilities of Nagpur Unit to its Associate, WPIL Limited for a consideration of Rs. 4706.67 Lacs. The profit on such disposal and on other disposal of Property, Plant and Equipment of Rs. 2746.41 lacs (Net of Tax) of Nagpur unit shown as exceptional items. The loss of Nagpur Unit on account of operation has been shown as loss from discontinuing operation as it is disposed off as on 31<sup>st</sup> March, 2023. Accordingly, all the previous year figures have been regrouped by the company. Refer Note 24,25(b) and 26.5(i) of Standalone Ind As Financial statement.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





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2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and report of the other auditors;
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B" to this report;
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements– Refer Note 26.1 to the Ind AS Financial Statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.







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(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The company has not declared or paid any dividend during the year and also has not proposed final dividend for the year.

(vi) Proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recoding audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

*For Salarpuria & Partners*

*Chartered Accountants*

*Firm ICAI Reg. No. 302113E*

**Amit Kumar Sureka**

*Amit Kumar Sureka*

Chartered Accountant

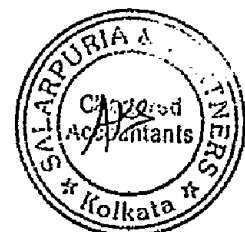
Membership No.-304607

Partner

UDIN: 23304607BHALRF4860

Place: Kolkata

Date: 29.05.2023





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## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date to the members)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

i) (a)(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

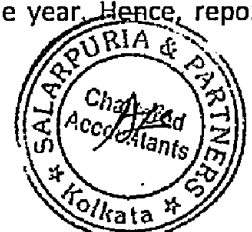
(B) The Company has no intangible assets. Hence, reporting under this clause is not required.

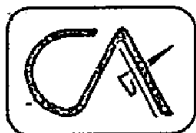
(b) As explained to us, the Property, Plant and Equipment, according to the practice of the Company, are been physically verified by the management at reasonable intervals, in a phased verification - programme, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the Fixed Assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical Fixed Asset has been noticed.

(d) The title deeds of Immovable Properties disclosed in financial statements are held in the name of the company, however title deed of the immovable property disclosed below is held in name of Neptune Exports Limited (Transferor company which is amalgamated with the company with effect from 01.04.2019).

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held -- indicate range, where appropriate	Reason for not being held in name of company
Building	Rs.364.55 lakhs	Neptune Exports Limited (Transferor Company which is amalgamated with the Company with effect from 01.04.2019.)		01-04-19	The Company has acquired on account of amalgamation

(e) The company has not revalued its Property, Plant and Equipment during the year. Hence, reporting under this clause is not applicable.





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- (f) As per the information obtained by us, no proceedings have been initiated during the year or are pending against the Company as at March 31,2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) As per the information obtained by us, the inventories have been physically verified by the management at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; no discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, so comment on clause 3(iii) of the order is not applicable.
- iv) In our opinion and according to the information and explanations given to us by the management, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, where applicable, with respect to the loans, investments, guarantees and security made.
- v) According to information and explanation given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014(as amended) and no such order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. So, comment on clause 3(v) of the said Order does not arise.
- vi) Maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company as the revenue from operations is below the threshold limit. Therefore, the reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii) (a) According to the records of the Company and as per the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, Employee state insurance, Income Tax, sales Tax, Service Tax, duty of customs, duty of excise, Value added tax, cess and any other Statutory dues as applicable to the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable were in arrear as at 31<sup>st</sup> March,2023 for a period of more than six months from the date they become payable save and except Professional tax of Rs.1.49 (Rs in lacs).
- (b) According to information and explanation given to us by the management, there were no statutory dues payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute save and except:





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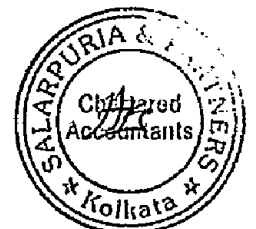
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Name of the statute	Nature of dues	Amount (Rs)	Related Year	Forum in which Dispute is Pending
West Bengal Sales Tax Act,1994	Assessed Dues	4,14,263	2004-2005	WBCT(A/R) Board
Central Sales Tax Act,1956	Assessed Dues	1,81,067	2004-2005	WBCT(A/R) Board
Central Sales Tax Act,1956	Assessed Dues	16,34,285	1998-1999	Registrar Maharashtra Sales Tax Tribunal, Mumbai
Central Sales Tax Act,1956	Assessed Dues	59,26,481	1999-2000	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Bombay Sales Tax Act,1959	Assessed Dues	10,44,631	2000-2001	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	13,89,004	2000-2001	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	12,02,194	2001-2002	Registrar Maharashtra Sales Tax Tribunal, Mumbai
Bombay Sales Tax Act,1959	Assessed Dues	9,49,067	2002-2003	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	3,90,538	2002-2003	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	62,70,042	2007-2008	Maharashtra Sales Tax Tribunal, Nagpur
Income Tax Act, 1961	Assessed Dues	21,63,540	2002-2003	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Assessed Dues		2003-2004	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Assessed Dues	2,66,646	2002-2003	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Assessed Dues		2003-2004	Income Tax Appellate Tribunal, Kolkata
<b>Total</b>		<b>2,18,31,758</b>		

- viii. According to information and explanations given by the management, the Company does not have any transaction relating to earlier years that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 and also there are no such previously unrecorded income and related assets relating to earlier years which have been recorded in the books of account during the year.





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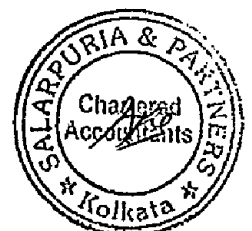
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- ix. (a) As per information and explanation given to us company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company is not declared as wilful defaulter by any bank, or financial institution or lender. Hence reporting under clause 3(ix)(b) of the Order is not applicable.
- (c) The term loans taken by the company were applied for the purpose for which the loans were obtained. Hence reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The company has not raised any funds on short term basis. Hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. Hence reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries however it has raised loans during the year on pledge of securities held in its associate companies as per details below. Further, the company has not defaulted in repayment of such loans raised.

Nature of Loan	Name of lender	Amount of loan	Name of the subsidiary, joint venture, associate Tenure of Loan	Relation	Details of security pledged*
Term Loan Dropline Overdraft Facility	Axis Finance Limited	Rs.32 Crores  Rs.8 Crores	WPIL Limited, 10years	Associate	290000 fully paid up equity shares, present and future Dividend Receivable
			Asutosh enterprises Limited	Associate	Present & future Dividend Receivable from shares of WPIL limited to Asutosh Enterprises Limited





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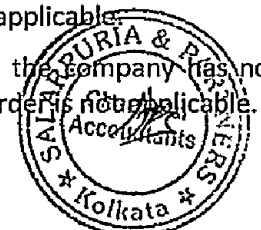
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- x. (a) According to information and explanation given to us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to information and explanation given to us the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) No whistle blower complaints has been received by the company during the year (and upto the date of this report), hence comment under the said clause does not arise.
- xii. The Company is not a Nidhi company. Therefore, reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
- xv. To the best of our knowledge and belief and as per the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him. So, comment on clause 3(xv) of the said Order does not arise.
- xvi. (a) The Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, reporting on clause 3(xvi) (a) of the Order is not applicable.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting on clause 3(xvi) (b) of the Order is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting on clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations given by the management, the company has not more than one CIC in the group. Hence, reporting on clause 3(xvi) (d) of the Order is not applicable.





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- xvii. The company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year. Hence, comment on clause 3(xvii) of the Order does not arise.
- xviii. There has been no resignation of statutory auditors of the company during the year. Hence, comment on clause 3(viii) of the Order does not arise.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment off in ancilliaries, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We however, state that this is not an assurance to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. As the criteria mentioned in section 135 of the Companies Act, 2013 are below the threshold limit. Hence, compliance of section 135 of the Companies Act, 2013 is not applicable to the company.

*For Salarpuria & Partners*  
*Chartered Accountants*  
*Firm ICAI Reg. No. 302113E*

**Amit Kumar Sureka**

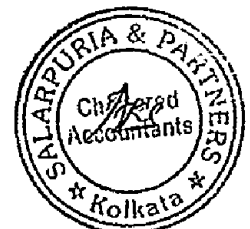
*Amit Kumar Sureka*

Membership No. 302113E  
Partner

UDIN: 23304607BHARF4860

Place: Kolkata

Date: 29.05.2023





# **Salarpuria & Partners**

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## **ANNEXURE `B' TO THE INDEPENDENT AUDITOR'S REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

**{Referred to Paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our Report of even date}.**

We have audited the internal financial controls over financial reporting of **HINDUSTHAN UDYOG LIMITED** ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

### ***Management's Responsibility for Internal Financial Controls***

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.







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## ***Meaning of Internal Financial Controls over Financial Reporting***

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## ***Inherent Limitations of Internal Financial Controls over Financial Reporting***

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ***Opinion***

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

***For Salarpuria & Partners***  
***Chartered Accountant***  
***Firm ICAI Reg. No. 302113E***

**Amit Kumar Sureka**

*Amit Kumar Sureka*

Chartered Accountant  
Membership No.-304607  
Partner

UDIN: 23304607BH ALRF4860  
Place: Kolkata  
Date: 29.05.2023



**HINDUSTHAN UDYOG LTD**  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023**  
**CIN No.: L27120WB1947PLC015767**

Rs In Lacs

ASSETS	Notes	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	4,728.93	1,214.79
(b) Financial Assets			
(i) Investments	3(a)	1,336.01	1,588.83
(ii) Trade Receivables	3(b)	50.11	50.11
(iii) Others Financial Assets	3(c)	44.07	19.37
(c) Deferred Tax Assets (Net)	4	-	-
(d) Other Non-Current Assets	5	23.49	109.12
<b>Total Non- Current Assets</b>		<b>6,182.61</b>	<b>2,982.22</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	6	29.64	799.04
(b) Financial Assets			
(i) Trade Receivables	3(d)	357.23	383.74
(ii) Cash & Cash Equivalents	7(a)	871.12	69.90
(iii) Bank balances other than (ii) above	7(b)	14.75	33.29
(iv) Others Financial Assets	7(c)	29.35	6.17
(c) Current Tax Asset (Net)	8	67.39	654.24
(d) Other Current Assets	9	8,946.62	10,326.17
<b>Total Current Assets</b>		<b>10,316.10</b>	<b>12,272.55</b>
<b>Total Assets</b>		<b>16,498.71</b>	<b>15,254.77</b>

EQUITY AND LIABILITIES	Notes	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>EQUITY</b>			
(a) Equity Share Capital	10(A)	619.50	619.50
(b) Other Equity	10(B)	11,261.93	8,495.79
<b>Total Equity</b>		<b>11,881.43</b>	<b>9,115.29</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11(a)	3,205.17	473.31
(ii) Other Financial Liabilities	11(c)	34.28	79.84
(b) Provisions	12	10.75	233.27
(c) Deferred Tax Liabilities (Net)	4	14.30	17.43
<b>Total Non- Current Liabilities</b>		<b>3,264.50</b>	<b>803.87</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13(a)	148.95	-
(ii) Trade Payables	11(b)	-	-
Total Outstanding dues of Micro Enterprises and Small Enterprise		10.23	5.32
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprise		181.73	297.29
(iii) Other Financial Liabilities	13(b)	149.24	218.55
(b) Other Current Liabilities	14	850.32	4,776.85
(c) Provisions	15	12.32	37.60
<b>Total Current Liabilities</b>		<b>1,352.78</b>	<b>5,335.61</b>
<b>Total Liabilities</b>		<b>4,617.28</b>	<b>6,139.48</b>
<b>Total Equity and Liabilities</b>		<b>16,498.71</b>	<b>15,254.77</b>

Significant Accounting Policies & Other Notes

For HINDUSTHAN UDYOG LIMITED

1 & 26

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For SALARPURIA & PARTNERS

Chartered Accountants

Firm ICAI Reg. No. 302113E

Anil Kumar Sureka

Company Secretary

For and on behalf of the Board of Directors

Anil Kumar Sarda

Chartered Accountant

Membership No.-304607

Place : Kolkata

Date : 29.05.2023



Pradeep Aggarwal

**HINDUSTHAN UDYOG LTD.**

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

CIN No.: L27120WB1947PLC015767

Rs. in Lacs except EPS

Particulars	Notes	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
<b>Continuing Operations</b>			
I. Revenue from Operations	16	-	-
II. Other Income	17	825.34	721.16
<b>III. Total Income (I+II)</b>		<b>825.34</b>	<b>721.16</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	18	3.06	4.08
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	19	-	-
Employee Benefit Expenses	20	112.91	108.47
Finance Costs	21	87.37	-
Depreciation and Amortization Expense	22	24.80	26.42
Other Expenses	23	98.55	107.19
<b>IV. Total Expenses</b>		<b>326.69</b>	<b>246.16</b>
V. Profit/(Loss) before Tax & Exceptional Items and Tax (III - IV)		498.65	475.00
VI. Exceptional Item	24	2,746.41	-
VII. Profit/(Loss) before Tax (V+VI)		<b>3,245.06</b>	<b>475.00</b>
<b>VIII. Tax Expense:</b>			
1 Current Tax		0.13	-
2 Tax for earlier years (Net)		-	(0.63)
3 Deferred Tax		-	1.31
<b>Net Current Tax (VIII)</b>		<b>0.13</b>	<b>0.68</b>
IX. Net Profit/(Loss) after tax from continuing operations(VII-VIII)		3,244.93	474.32
X. Net Profit/(Loss) before tax from discontinued operations	25(a)	(477.46)	(433.77)
XI. Tax Expense of discontinued operations		-	-
XII. Net Profit/(Loss) after tax from discontinued operations(X-XI)		(477.46)	(433.77)
XIII. Profit/(Loss) from continued operations and discontinued operations (IX+XII)		<b>2,767.47</b>	<b>40.55</b>
<b>XIV. Other Comprehensive Income for the period</b>			
(A) (i) Item that will not be reclassified to Profit or Loss			
→ Changes in Fair Valuation of Equity Instrument		(17.68)	29.52
→ Net Gain/(Loss) on disposal of investments in equity shares		-	-
→ Remeasurement of Defined benefit Plans		13.21	0.23
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		3.14	(2.48)
(B) (i) Items that will be reclassified to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
XV. Total Comprehensive Income for the period (XIII+XIV)		<b>2,766.14</b>	<b>67.82</b>
<b>Earnings per Equity Share (for Continuing Operation):</b>			
(1) Basic earning per equity share (Rs)	26.8	52.38	7.66
(2) Diluted earning per equity share (Rs)		52.38	7.66
<b>Earnings per Equity Share (for discontinuing Operation):</b>			
(1) Basic earning per equity share (Rs)	26.8	(7.71)	(7.00)
(2) Diluted earning per equity share (Rs)		(7.71)	(7.00)
<b>Earnings per Equity Share (for discontinued &amp; Continuing Operation):</b>			
(1) Basic earning per equity share (Rs)	26.8	44.67	0.65
(2) Diluted earning per equity share (Rs)		44.67	0.65

Significant Accounting Policies &amp; Other Notes

For HINDUSTHAN UDYOG LIMITED

18&amp;26

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For SALARPURIA &amp; PARTNERS

Chartered Accountants

Company Secretary

For and on behalf of the Board of Directors

Firm Reg. No. 302113E  
Amit Kumar Sureka

Asst. Kumar Sorela

Chartered Accountant

Place of Kolkata, Partnership No. -304607

Date : 20.05.2023

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**HINDUSTHAN UDYOG LTD**

Statement of Standalone Cash Flows for the year ended 31st March 2023

CIN No.: L27120WB1947PLC015767

Rs in Lacs

PARTICULARS	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax (excluding exceptional items) from Continuing operations	498.65	475.00
Discontinued operations	(477.46)	(433.77)
Profit before tax including discontinued operations (excluding exceptional items)	21.19	41.23
<b>Adjustment for :</b>		
Gain on transfer of discontinued operations	3,402.88	
Depreciation & Amortisation	98.27	87.52
Interest Expense	131.22	48.36
Interest Income	(111.58)	(55.19)
Dividend Income	(386.28)	(386.17)
Fair Valuation of Equity Instrument profit / (loss) on sale of mutual fund	(1.28)	(68.97)
Profit on sale of Property Plant and Equipment	(3,402.88)	1.70
<b>Operating Profit before Working Capital Changes</b>	<b>(248.46)</b>	<b>(331.52)</b>
<b>Movements In Working Capital :</b>		
Increase/(Decrease) in Trade Payables	(112.02)	(16.59)
Increase/(Decrease) in Other Liabilities	(30.44)	193.98
(Increase)/ Decrease in Inventories	769.40	(105.01)
(Increase)/ Decrease in Trade Receivables	26.51	(33.13)
(Increase)/Decrease in Other Assets	1,417.30	21.09
<b>Cash Generated from/(used in) Operations</b>	<b>1,822.30</b>	<b>(271.17)</b>
Direct Taxes Paid (Net)	(69.76)	(73.56)
<b>Net Cash from Operating Activities</b>	<b>1,752.54</b>	<b>(344.73)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Property, Plant and Equipment	288.90	
Interest Received	3.42	9.19
Dividend Received	386.28	386.17
(Purchase)/Sale of Investments (Net)	299.02	-
Purchase of Property, Plant and Equipment	(4,698.43)	(26.35)
Increase/Decrease in Bank Deposits	18.54	(11.72)
<b>Net Cash from Investing Activities</b>	<b>(3,702.27)</b>	<b>357.27</b>



**HINDUSTHAN UDYOG LTD**

Statement of Standalone Cash Flows for the year ended 31st March 2023

Rs in Lacs

PARTICULARS	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest paid	(86.87)	-
Repayment :		
Proceeds/(Repayment) of Long Term Borrowings	2,688.87	-
Proceeds/(Repayment) of Short Term Borrowings	148.95	-
<b>Net Cash from Financing Activities</b>	<b>2,750.95</b>	<b>-</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>801.22</b>	<b>12.54</b>
Cash and Cash Equivalents at the beginning of the year	69.90	57.36
Cash and Cash Equivalents at end of the year	871.12	69.90
<b>Cash &amp; Cash Equivalents :</b>		
Balances with Bank		
Current Account	846.53	46.82
Bank Book Overdraft	-	-
Bank Deposits with Maturity less than 3 months	-	-
Cash on Hand	24.59	23.08
<b>Total</b>	<b>871.12</b>	<b>69.90</b>

**Note :**

- (a) Previous year's figures have been regrouped/recasted wherever necessary.
- (b) The above cash flow has been prepared under "Indirect Method" as per Ind AS 7, "Statement of Cash Flows", as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

FOR SALARPURIA &amp; PARTNERS For HINDUSTHAN UDYOG LIMITED For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

Firm ICAI Reg. No.302113E

Srujan Bayaj Pral Ag  
Company Secretary

Amit Kumar Sureka

Anil Kumar Sarda

Chartered Accountant  
Membership No.-304607  
Partner

Place : Kolkata

Date : 29.05.2023

**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023.

**(A) Equity Share Capital**
**(1) Current reporting period**

Rs In Lacs

Balance at the beginning current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year			Balance at the end of the current reporting period
			Reduction in Share Capital on account of Amalgamation (Share Suspense Account)	Issued during the year	Cancelled during the year	
619.50	-	619.50	-	-	-	619.50

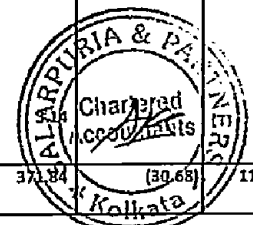
**(2) Previous reporting period**

Rs In Lacs

Balance at the beginning current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year			Balance at the end of the current reporting period
			Reduction in Share Capital on account of Amalgamation (Share Suspense Account)	Issued during the year	Cancelled during the year	
619.50	-	619.50	-	-	-	619.50

**(B) Other Equity**

PARTICULARS	RESERVES & SURPLUS							OTHER COMPREHENSIVE INCOME		Total Other Equity	
	Nota No.	Securities Premium	Revaluation Surplus	General Reserve	Special Capital Incentive	RBI Reserve Fund	Capital Reserve	Retained Earnings	Fair Value Gain/(Loss) on Equity Instruments		Remeasurement of Defined Benefit Plans
		₹	₹	₹	₹		₹	₹	₹	₹	
Balance as on 01.04.2021		138.41	48.45	1,722.02	30.00	461.79	4,517.31	1,194.78	359.34	(44.12)	8,427.97
Transfer to Retained Earning Profit for the year 2021-22		-	-	-	-	-	-	40.55	-	-	40.55
Changes in Accounting Policies or Prior Period Errors		-	-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	-	0.23	0.23
Changes in Fair Value of Investment		-	-	-	-	-	-	-	29.52	-	29.52
Net Gain/(Loss) on disposal of investments in equity shares		-	-	-	-	-	-	-	-	-	-
Tax Effect on Fair Value of		-	-	-	-	-	-	-	(2.49)	-	(2.48)
Restated Balance at 31st		138.41	48.45	1,722.02	30.00	461.79	4,517.31	1,235.33	386.37	(43.89)	8,495.79
Transfer to Retained Profit for the year 2022-		-	-	-	-	-	-	2,767.47	-	-	2,767.47
Changes in Accounting Policies or Prior Period Errors		-	-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	-	13.21	13.21
Changes in Fair Value of Investment		-	-	-	-	-	-	-	(17.68)	-	(17.68)
Net Gain/(Loss) on disposal of investments in equity shares		-	-	-	-	-	-	-	-	-	-
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	-	-	-	3.14
Balance as at 31st March, 2023		138.41	48.45	1,722.02	30.00	461.79	4,517.31	4,002.80	372.84	(30.65)	11,261.93



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **NOTE 1 (A) : CORPORATE INFORMATION**

The Company ("Hindusthan Udyog Limited") is an existing public company incorporated on 3rd September, 1947 under the Indian Companies Act, and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Trinity Plaza, 3rd floor, 84/1A, Topsia Road (South), Kolkata - 700046. The Company is engaged in manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Heavy Earth Equipments, Pumps, Valves and Compressors and other Heavy Engineering Industries. It is also engaged in manufacturing of Material Handling Equipments of varied nature required in the Mines, Cement Plants, Power Plants and Other General Engineering Sectors. The manufacturing units are located in Kolkata and Nagpur unit which is discontinued and disposed off during the financial year . The Equity Shares of the Company are listed on BSE Limited ("BSE") . The Financial Statements are presented in Indian Rupees.

### **NOTE 1 (B) : SIGNIFICANT ACCOUNTING POLICIES.**

A summary of the Significant Accounting Policies applied in the preparation of the Financial Statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements.

#### **I) BASIS OF PREPARATION**

The Financial Statements of Hindusthan Udyog Ltd ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India.

The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis. The Financial Statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- 1 Certain financial assets and liabilities that are measured at fair value.
- 2 Assets held for sale which are measured at lower of carrying value and fair value less cost to sell.
- 3 Defined benefit plans where plan assets are measured at fair value.

The Financial Statements for the Year Ended 31st March, 2023 have been approved by the Board of Directors of the Company in their Meeting Held on 29th May, 2023.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As set out in the Schedule III to the Companies Act, 2013, the normal operating cycle cannot be identified and hence it is assumed to have a duration of twelve months.

The Financial Statements are presented in INR and all values are rounded off to the nearest lacs (INR 00,000), except when otherwise indicated.

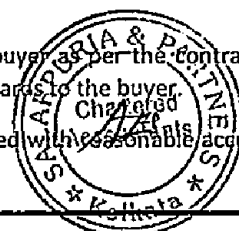
#### **Use of Estimates and Management Judgement**

In preparing the Financial Statements in conformity with Accounting Principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

#### **II) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances, rebates, value added taxes, goods and services tax and amounts collected on behalf of third parties. The company recognizes revenue when the amount of Revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

- 1 Sales are recognised when significant risks , rewards and control are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.
- 2 Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **III) Other Income:**

- 1 Interest Income on Financial Assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the Financial Asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.
- 2 Dividends are recognized in the statement of profit and loss only when the right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
- 3 Profit/Loss on sale of Investments is recognised on the contract date.
- 4 Others: The Company recognizes other income (including rent and misc receipts) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

### **IV) Current versus Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Company's operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in Company's operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

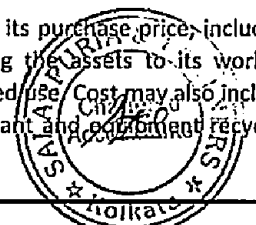
### **V) Property, Plant and Equipment**

#### **a) Asset Class:**

- i) Freehold Land is carried at historical cost including cost that is directly attributable to the acquisition of the land.
- ii) All other items of property, plant and equipment are stated at historical cost less accumulated depreciation/ amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment recycled from hedge reserve as basis adjustment.





## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency recycled from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred except the amortisation value of durgapur leasehold land is not material.

### **Depreciation**

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

### **VI) Non-Current Assets held for Sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable. Non-current assets and disposal group classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. An asset is expected to qualify for recognition as a completed sale within one year from the date of classification.

### **VII) Disposal of Assets**

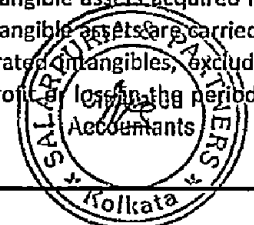
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### **VIII) Investment Property**

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

### **IX) Intangible Asset**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives including Goodwill are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### **X) Foreign currency Transactions**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in India Rupee which is Hindusthan Udyog Limited's functional and presentation currency.

- a) On initial recognition, all foreign currency transaction are recorded at foreign exchange rate on the date of transaction.
- b) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
- c) The gain or loss on decrease/increase in reporting currency due to fluctuation in foreign exchange rate, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

### **XI) Inventories**

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for purchases of raw materials.

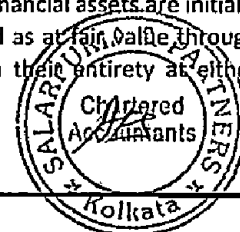
Cost is determined using the weighted average cost for Nagpur Unit and FIFO for Kolkata Unit. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### **XII) Financial Instruments**

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **Classification of Financial Assets**

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

### **Financial assets at amortised cost and the effective interest method**

Debt instruments are measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

### **Financial assets at fair value through other comprehensive income (FVTOCI)**

Debt instruments are measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on Remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

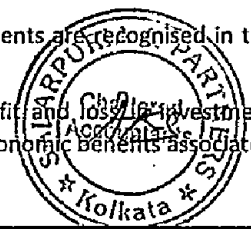
### **A Financial Asset is held for Trading if:**

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other comprehensive income is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.



## **HINDUSTHAN UDYOG LTD.**

**Notes to Standalone Financial Statement As At 31.03.2023**

### ***Financial Assets at Fair Value through Profit and Loss (FVTPL)***

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

### ***Impairment of financial assets***

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

### ***Financial Liabilities and equity instruments issued by the Company***

#### ***Classification as debt or equity***

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **Compound instruments**

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

### **Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

#### **Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

### **Other Financial Liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

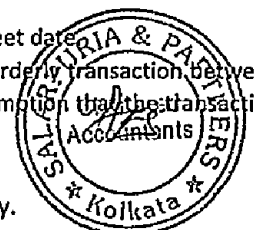
Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **XIII) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 1 In the principal market for the asset or liability, or
- 2 In the absence of a principal market, in the most advantageous market for the asset or liability.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **XIV) Trade Receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured initially at fair value, and subsequently at amortised cost using effective interest method, less provision for impairment.

Loss allowance for expected life time credit loss is recognised on initial recognition.

### **XV) Trade Payables**

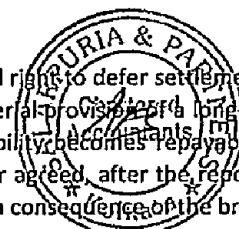
Trade Payables are liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

### **XVI) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised at transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In the case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a repayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes repayable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **XVII) Income Tax**

The income tax expense or credit for the period is the tax payable on current period's taxable income based on the applicable income tax rates for the jurisdiction.

Current tax and deferred tax are recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or other comprehensive income.

#### **Current Income Tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management evaluates periodically positions taken with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

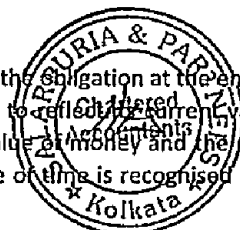
The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

### **XVIII) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised if

- i) the business has present legal or constructive obligation as a result of a past event;
- ii) it is probable that an outflow of resources will be required to settle the obligation; and
- iii) the amount of obligation has been reliably estimated

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of time value of money is material, provisions are discounted to reflect their present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **Warranty Provisions**

Provisions for warranty-related costs are recognised on the basis of product sold or service provided to the customer. Initial recognition is based on historical experience and management's decision based on technical advice. The initial estimate of warranty-related costs is revised annually.

### **Onerous Contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

### **Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### **Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

## **XIX) Employees Benefit Expenses**

### **a) Short Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

### **b) Long Term Employee Benefit Obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service. They are, therefore, measured at the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in the actuarial assumptions are recognised in the Statement of Profit and Loss.

Under Ind AS, re-measurements of defined benefit plan are recognised in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred as at the date of transition to Ind AS.

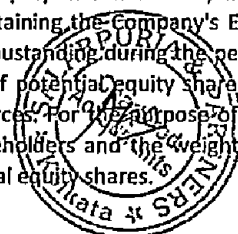
## **XX) Dividend**

Provision is made for the amount of any final dividend declared, being appropriately authorised in the Annual General Meeting and no longer at the discretion of the Company.

Interim Dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## **XXI) Earnings Per Share**

Earnings Per Share is calculated by dividing the net profit or loss of the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings Per Share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.





## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **XXII) Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use Assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

#### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

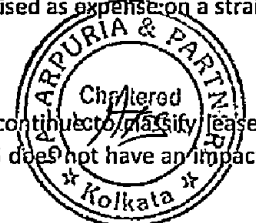
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### **Short-Term Leases and Leases of Low-Value Assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **Company as a Lessor**

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **XXIII) Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

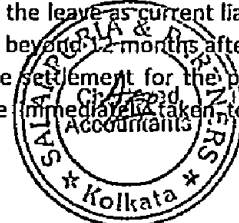
### **XXIV) Retirement and Other Employee Benefits**

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity liability is funded defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each reporting period.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Current and non-current classification is based on the actuarial valuation report.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.



## **HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

### **XXV) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

The analysis of geographical segments is based on the areas in which customers of the Company are located.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- I) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.
- II) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.
- III) Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.
- IV) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income/ (expenditure)(net)".
- V) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.
- VI) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure)(net)".
- VII) Segment results have not been adjusted for the exceptional item attributable to the corresponding segment. The said exceptional item has been included in "unallocable corporate income/ (expenditure) (net)". The corresponding segment assets have been carried under the respective segments without adjusting the exceptional item.
- VIII) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.
- IX) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.
- X) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(r) supra] and is allocated to the segment.

### **XXVI) Business Combination**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

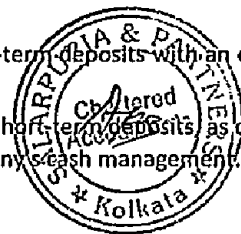
Any business combinations involving entities or businesses under common control are accounted for using the pooling of interest method:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

### **XXVII) Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



**HINDUSTHAN UDYOG LTD.**  
Notes to Standalone Financial Statement As At 31.03.2023

**NOTE 2: PROPERTY, PLANT & EQUIPMENT**

Particulars	PROPERTY, PLANT & EQUIPMENT								Total
	Freehold Land	Lease Hold Land*	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fixtures	
<b>Gross block</b>									
Gross Carrying Amount As At 1st April, 2022	193.63	166.84	935.91	508.16	1.69	59.94	39.82	56.70	1,962.69
Additions during the year	4,028.00	-	212.00	451.88	-	-	-	6.55	4,698.43
Reclassification made during the year	-	(166.45)	(469.91)	(854.86)	-	(57.00)	-	(34.18)	-
Disposals/deductions during the year	-	0.39	678.00	105.18	1.69	2.94	39.82	29.07	(1,582.41)
Gross carrying amount as at 31st March, 2023	4,221.63	0.39	678.00	105.18	1.69	2.94	39.82	29.07	5,078.72
<b>Depreciation /Amortisation</b>									
Accumulated depreciation/amortisation as at 1st April, 2022	-	8.77	180.33	456.12	1.57	33.85	28.83	38.44	747.90
Depreciation/ amortisation for the year	-	1.46	32.52	52.07	0.06	2.76	3.69	5.72	98.27
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	(10.23)	1.99	(428.09)	(0.00)	(34.03)	(0.20)	(25.84)	(496.40)
Accumulated depreciation as at 31st March, 2023	-	-	214.83	80.10	1.53	2.58	32.32	18.32	349.79
Net carrying amount as at 31st March, 2023	4,221.63	0.39	463.17	25.08	0.06	0.36	7.50	10.75	4,728.93

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 were as follows:

Particulars	PROPERTY, PLANT & EQUIPMENT								Total
	Freehold Land	Lease Hold Land*	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fixtures	
<b>Gross block</b>									
Gross Carrying Amount As At 1st April, 2021	193.63	166.84	935.91	506.93	1.51	37.67	39.82	54.02	1,936.34
Additions during the year	-	-	-	1.23	0.18	22.27	-	2.67	26.35
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31st March, 2022	193.63	166.84	935.91	508.16	1.69	59.94	39.82	56.70	1,962.69
<b>Depreciation /Amortisation</b>									
Accumulated depreciation/amortisation as at 1st April, 2021	-	7.31	148.05	415.67	1.47	30.86	23.06	33.99	660.38
Depreciation/ amortisation for the year	-	1.46	32.28	40.45	0.11	2.99	5.77	4.45	87.52
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March, 2022	-	8.77	180.33	456.12	1.57	33.85	28.83	38.44	747.90
Net carrying amount as at 31st March, 2022	193.63	158.08	755.59	52.04	0.12	26.09	10.99	18.26	1,214.79

\* Provision for amortisation of Long term Leasehold land at Durgapur has not been made.



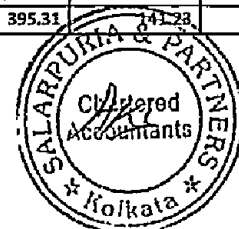
**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Note : 3 FINANCIAL ASSETS	Face Value (₹)	No. of Shares	As At 31.03.2023 ₹	No. of Shares	As At 31.03.2022 (₹)
<b>(A) INVESTMENTS</b>					
<b>(a) Measured at fair value through Other Comprehensive Income</b>					
<b>(i) Investment in Equity Instrument (Quoted)</b>					
1) Via Media India Limited	10	1,750	0.18	1,750	0.18
2) Phosphate Co. Limited	10	26,400	44.22	26,400	24.55
3) Indorama Synthetics Limited	10	300	0.12	300	0.20
4) India Foils Limited	10	400	0.03	400	0.03
5) Blue Coast Hotels Limited	10	9,70,000	36.86	9,70,000	69.84
6) Reliance Industries Limited	10	1,408	32.82	1,408	37.10
7) Mcleod Russel (India) Limited	10	150	0.03	150	0.03
8) JK Synthetics Limited	10	905	0.55	905	0.55
9) LML Limited	10	5,100	5.20	5,100	5.20
<b>Total (i)</b>			<b>120.00</b>		<b>137.68</b>
<b>(ii) Investment in Equity Instrument (Unquoted)</b>					
1) Tamilnadu Alkaline Batteries Limited	1	8,00,000	8.03	8,00,000	8.03
2) Macneill Electricals Limited	100	918	3.75	918	3.75
3) Neptune Impex Pvt. Limited	100	200	0.30	200	0.30
<b>Total (ii)</b>			<b>12.08</b>		<b>12.08</b>
<b>Total (a)</b>			<b>132.08</b>		<b>149.76</b>
<b>(b) Measured at Cost</b>					
<b>I. Associate</b>					
<b>(i) Investment in Equity Instrument (Quoted)</b>					
1) WPIL Limited *	10	38,61,659	357.48	38,61,659	357.48
2) Asutosh Enterprises Limited	10	8,09,450	20.89	8,09,450	20.89
3) Bengal Steel Industries Limited	10	18,68,151	56.58	18,62,901	51.32
<b>(ii) Investment in Equity Instrument (Unquoted)</b>					
1) Spaans Babcock India Limited	10	45,000	4.50	45,000	4.50
2) Hindusthan Parsons Limited	10	32,45,000	114.29	32,45,000	114.29
3) H. S. M. International Pvt. Limited	10	3,02,500	6.25	3,02,500	6.25
<b>II. Subsidiary</b>					
<b>(i) Investment in Equity Instrument (Unquoted)</b>					
Bharat Oil & Chemical Industries Limited	10	6,00,000	12.00	6,00,000	12.00
<b>(ii) Investment in Govt. Securities (NSC)</b>			0.15		0.15
<b>(iv) Investment in Debentures</b>					
Via Media India Limited	10	175	0.07	175	0.07
<b>Total (b)</b>			<b>572.21</b>		<b>566.95</b>
<b>(c) Measured at fair value through Profit and loss</b>					
<b>(i) Investment in Preference Shares</b>					
VN Enterprises Limited	100	7,00,000	631.71	7,00,000	569.11
<b>(ii) Investment in Mutual Fund</b>					
Birla Capital Mutual Fund			-	68051.907	303.04
<b>Total (c)</b>			<b>631.71</b>		<b>872.15</b>
<b>Total (a+b+c)</b>			<b>1,336.01</b>		<b>1,588.83</b>

\* 290000 Unencumbered fully paid up equity shares of WPIL Limited held by the company has exclusively been pledged against loan taken from Axis Finance Limited.

	As At 31.03.2023		As At 31.03.2022	
	Cost	Market Value	Cost	Market Value
		₹	₹	₹
Aggregate value of Quoted Investments	550.56	93,711.02	545.30	33,241.59
Aggregate value of Unquoted Investments	141.23	395.31	141.23	398.07



**HINDUSTHAN UDYOG LTD.**

Notes to Standalone Financial Statement As At 31.03.2023

Rs in Lacs

(B) TRADE RECEIVABLES	Tea Time Limited	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Unsecured, considered good, unless stated otherwise		50.11	50.11
Trade Receivables Considered Good - Unsecured		50.11	50.11
Trade Receivables which have significant increase in credit risk		-	-
Less :Allowances for Bad and Doubtful Debts		-	-
<b>Total</b>		<b>50.11</b>	<b>50.11</b>

Ageing of Trade receivables - Non- current outstanding as at 31 March, 2023 is as follows :

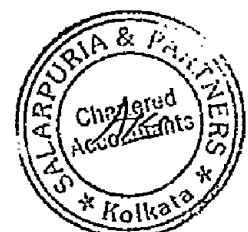
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 Months	1 - 2 Years	2 - 3 Years	More than 3 Years	
- Undisputed Trade Receivables - Considered Good	-	-	-	50.11	50.11
- Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-
- Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-
- Disputed Trade Receivables - Considered Good	-	-	-	-	-
- Disputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-
- Disputed Trade Receivables - Credit Impaired	-	-	-	-	-
Less :Allowances for bad and doubtful debts	-	-	-	-	-
<b>Total</b>	-	-	-	<b>50.11</b>	<b>50.11</b>

Ageing of Trade receivables - Non- current outstanding as at 31 March, 2022 is as follows :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 Months	1 - 2 Years	2 - 3 Years	More than 3 Years	
- Undisputed Trade Receivables - Considered Good	-	-	-	50.11	50.11
- Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-
- Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-
- Disputed Trade Receivables - Considered Good	-	-	-	-	-
- Disputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-
- Disputed Trade Receivables - Credit Impaired	-	-	-	-	-
Less :Allowances for bad and doubtful debts	-	-	-	-	-
<b>Total</b>	-	-	-	<b>50.11</b>	<b>50.11</b>

(C) OTHER NON CURRENT FINANCIAL ASSETS	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Deposits with banks having original maturity of more than 12 months *	43.65	19.05
Security Deposits	0.42	0.42
<b>Total Other Non Current Financial Assets</b>	<b>44.07</b>	<b>19.37</b>

\* Kept as margin money against Bank guarantees Rs. 24.58 Lacs (P Y. Rs. 13.81 Lacs).



**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Rs In Lacs

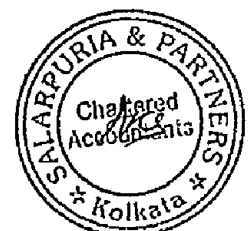
NOTE: 3(d) TRADE RECEIVABLES - CURRENT	AS At 31.03.2023 ₹	AS At 31.03.2022 ₹
<b>At Amortised Cost</b>		
Unsecured, Considered Good, unless stated otherwise	401.69	383.74
Trade Receivables Considered Good - Unsecured	401.69	383.74
Trade Receivables which have Significant Increase in Credit Risk	-	44.46
Less : Allowances for Bad and Doubtful Debts	44.46	44.46
<b>Total</b>	<b>357.23</b>	<b>383.74</b>

Ageing of Trade receivables - current outstanding as at 31 March, 2023 is as follows :

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- Undisputed Trade Receivables - Considered Good	136.36	0.54	0.77	-	219.55	357.23
- Undisputed Trade Receivables - which have Significant Increase in Credit Risk	-	-	-	-	44.46	44.46
- Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
- Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
- Disputed Trade Receivables - which have Significant Increase in Credit Risk	-	-	-	-	-	-
- Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Less : Allowances for Bad and Doubtful Debts	-	-	-	-	44.46	44.46
<b>Total</b>	<b>136.36</b>	<b>0.54</b>	<b>0.77</b>	<b>-</b>	<b>219.55</b>	<b>357.23</b>

Ageing of Trade receivables - current outstanding as at 31 March, 2022 is as follows :

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- Undisputed Trade Receivables - Considered Good	164.33	-	-	-	219.42	383.74
- Undisputed Trade Receivables - which have Significant Increase in Credit Risk	-	-	-	-	44.46	44.46
- Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
- Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
- Disputed Trade Receivables - which have Significant Increase in Credit Risk	-	-	-	-	-	-
- Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Less : Allowances for Bad and Doubtful Debts	-	-	-	-	44.46	44.46
<b>Total</b>	<b>164.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219.42</b>	<b>383.74</b>



**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Rs in Lacs

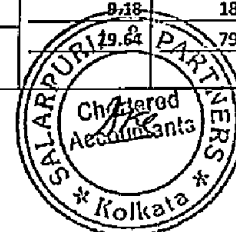
Note : 4 DEFERRED TAX (NET)	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Deffered Tax Asset / (Liability)	(14.30)	(17.43)
<b>Total</b>	<b>(14.30)</b>	<b>(17.43)</b>

A Movement in deferred Tax balances	As At 31.03.2022 ₹	Recognized in Profit & Loss	Recognized in OCI	As At 31.03.2023 ₹
Deferred Tax Liability	17.43	-	-	-
Other Timing Differences	-	-	(3.14)	-
Net Deferred Tax Liability	-	-	-	14.30

B Reconciliation of Income Tax Expenses		For The Year Ended 31.03.2023 (₹)	For The Year Ended 31.03.2022 (₹)
Accounting Profit	3,424.08	3,424.08	41.23
less: profit relating to capital gain disclosed separately	3,402.88		
	21.20		
Tax @ 25.168%	5.34		
Tax effect of expenses that are not deductible in determining taxable profit(157.56@25%)	39.65		
Tax effect of expenses that are deductible in determining taxable profit(108.16@25%)	27.22		
Brought Forward losses (70.59@25.168%)	17.77		
		0.00	
Tax effect of income on which different tax rates are used for determining Taxable Profit			
Long term Capital Gain (2449.08@23.92%)	585.82		
Less :Brought Forward Capital losses (70.66@ 23.92%)	16.90		
		568.92	
Short term Capital Gain (243.99@35.88%)		87.55	
On sale of mutual Fund (1.28@10.4%)		0.13	
		656.60	
Income Tax Expense recognised In Statement of Profit and Loss for the current year			-

Note : 5 OTHER NON CURRENT ASSETS	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Balance with Government Authorities	-	2.31
Advances - Non Current	-	1.27
Mat Credit Entitlement	11.47	11.47
Security Deposits	12.02	78.44
Other Non Current Assets	-	15.64
<b>Total</b>	<b>23.49</b>	<b>109.12</b>

Note : 6 INVENTORIES	As At 31.03.2023 ₹	As At 31.03.2022 ₹
(Valued at lower of cost and net realisable value, unless otherwise stated)	-	-
Raw Material	20.47	147.63
Work In Progress	-	463.55
Finished Goods	-	-
Tools & Implements	0.18	187.86
<b>Total</b>	<b>20.65</b>	<b>799.04</b>





**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Rs in Lacs

Note : 7(A) CASH AND CASH EQUIVALENT	As At	As At
	31.03.2023	31.03.2022
	₹	₹
Balances with Bank		
-In Current Account*	846.53	46.82
-Bank Book Overdraft	-	-
Cash on Hand	24.59	23.08
<b>Total</b>	<b>871.12</b>	<b>69.90</b>
* The balance of Rs. 6.75 lacs is subject to confirmation.		

Note : 7(B) OTHER BANK BALANCES	As At	As At
	31.03.2023	31.03.2022
	₹	₹
Deposits with Original Maturity of more than 3 Months and within 12 Months*	14.75	33.29
	14.75	33.29
*Kept as Margin Money against Bank guarantees Rs. 12.54 Lacs (Previous Year Rs. 18.29 Lacs).		

Note : 7(C) OTHER CURRENT FINANCIAL ASSETS	As At	As At
	31.03.2023	31.03.2022
	₹	₹
Prepaid Processing Fees	19.50	-
Accrued Interest on NSC	0.14	0.14
Other Advances*	3.58	3.36
Interest Accrued on Fixed Deposit with Bank	6.13	2.67
<b>Total</b>	<b>29.35</b>	<b>6.17</b>
*Advance given to Bharat Oil and Chemical Industries Limited (Subsidiary).		



**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Rs in Lacs

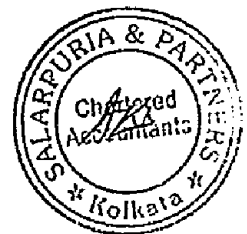
<b>Note : 8 CURRENT TAX ASSET (NET)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Advance payment of Income Tax (Net)	67.39	651.67
Advance Sales Tax	-	2.57
<b>Total</b>	<b>67.39</b>	<b>654.24</b>

<b>Note : 9 OTHER CURRENT ASSETS</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Tds Recievable	38.63	-
Advances to Staff (Unsecured- Considered Good)	2.65	4.39
Advances to Others*	8,894.89	10,279.88
GST Receivable	7.99	27.07
Security Deposit	0.15	12.82
Prepaid Expenses	2.31	2.01
<b>Total</b>	<b>8,946.62</b>	<b>10,326.17</b>

\*Includes Advance to supplier

Advance given to V N Enterprises Limited (a related party) of Rs. 7,897.10 Lac (Previous Year: -9,532.00 Lac)

Advance given to Macneill Electricals Limited (a related party) of Rs. 305.50 Lac (Previous Year: - Rs. 305.50 Lacs)



**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Rs in Lacs

NOTE : 10 (A) STATEMENT OF CHANGES IN EQUITY	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>(A) Equity Share Capital</b>		
<b>Authorised Shares</b>		
5,89,50,000 Equity Shares of ₹ 10/- each	5,895.00	5,895.00
60,00,000 10% Cumulative Redeemable Preference shares of ₹ 10/- each	600.00	600.00
	6,495.00	6,495.00
<b>Issued, Subscribed &amp; Paid-Up Shares</b>		
61,94,996 Equity Shares of ₹ 10/- each, fully paid	619.50	619.50
<b>Total</b>	619.50	619.50

**a. Reconciliation of shares outstanding at the beginning & at the end of the reporting period**

Rs in Lacs

Equity Shares	Nos.	As At 31.03.2023 ₹	Nos.	As At 31.03.2022 ₹
At the beginning of the period	61,94,996	619.50	71,76,725	717.67
Issued during the period			7,50,121	75.01
Cancelled during the period			(17,31,850)	(173.19)
Outstanding at the end of the period	61,94,996	619.50	61,94,996	619.50

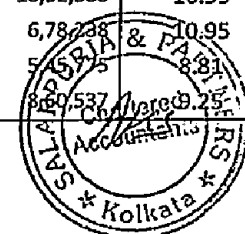
**b. Terms/Rights attached to Equity Shares**

The Company has one Class of Shares issued, Equity Shares having a par value of ₹ 10/- each. Each Equity Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

c. The Company does not have any Holding Company, ultimate Holding Company .

**d. Details of Shareholders holding more than 5% of Shares in the Company**

Particulars	Nos.	As at 31.03.2023 % Holding in the Class	Nos.	As at 31.03.2022 % Holding in the Class
<b>Equity Shares of ₹ 10/- Each</b>				
1. V.N. Enterprises Limited	17,48,785	28.23	17,48,785	28.23
2. Poonam Jhaver	10,52,333	16.99	10,52,333	16.99
3. Bengal Steel Industries Limited	6,78,238	10.95	6,78,238	10.95
4. Asutosh Enterprises Limited	5,45,775	8.81	5,45,775	8.81
5. Prakash Agarwal	8,60,537	13.89	8,60,537	13.89





**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

**Note : 10 (B) OTHER EQUITY**

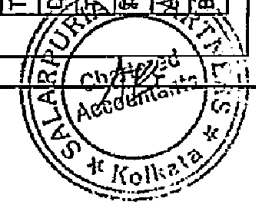
Rs in Lacs

**(1) Current Reporting Period**

Particulars	Reserve and Surplus							Total		
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Revaluation Surplus	Special Capital Incentive		RBI Reserve Fund	Other Comprehensive Income
Balance at the beginning current reporting period	4,517.31	138.41	1,220.53	1,722.02	-	48.45	30.00	461.79	357.29	8,495.79
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the current year	-	-	2,767.47	-	-	-	-	-	(1.33)	2,766.14
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-
Transfer from Retained earnings	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	4,517.31	138.41	3,988.00	1,722.02	-	48.45	30.00	461.79	355.96	11,261.93

**(2) Previous Reporting Period**

Particulars	Reserve and Surplus							Total		
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Revaluation Surplus	Special Capital Incentive		RBI Reserve Fund	Other Comprehensive Income
Balance at the beginning current reporting period	4,517.31	138.41	1,179.98	1,722.02	-	48.45	30.00	461.79	330.02	8,427.97
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the current year	-	-	40.55	-	-	-	-	-	27.27	67.82
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-
Transfer from Retained earnings	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	4,517.31	138.41	1,220.53	1,722.02	-	48.45	30.00	461.79	357.29	8,495.79



**HINDUSTHAN UDYOG LTD**

**Notes to Standalone Financial Statement As At 31.03.2023**

**Rs In Lacs**

**Nature and Purpose of Reserve**

**a) *Securities Premium***

Premium received on issue of equity shares. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**b) *Revaluation Surplus***

Revaluation Reserve arises on account of revaluation of Land.

**c) *General Reserve***

This reserve is a part of Retained Earning, and is available for distribution to the shareholders as free reserve.

**d) *Special Capital Incentive***

Special Capital arises on account of Business Comination.

**e) *Capital Reserve***

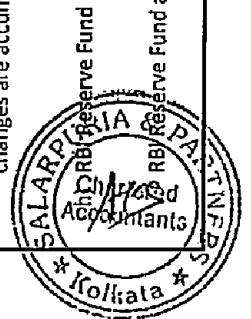
Reserve created on reissue of forfeited shares. This can be utilised in accordance with the provisions of the Companies Act, 2013.

**f) *Retained Earnings***

Retained Earnings are profits that the company has earned till date, less any transfer to general reserve, dividend or other distributions paid to shareholders. It also includes Revaluation reserve transferred on the date of transaction.

**g) *FVTOCI Reserve***

The Company has elected to recognise changes in the fair value of investments in equity instruments along with remeasurement of Defined Benefit plans through other comprehensive income. This changes are accumulated within the FVTOCI Reserve.



**HINDUSTHAN UDYOG LTD**
**Notes to Standalone Financial Statement As At 31.03.2023**
*Rs in Lacs*

<b>NOTE: 11(B) TRADE PAYABLES - CURRENT</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
At Amortised Cost		
Trade Payables		
• Total outstanding dues of Micro Enterprises and Small Enterprises	10.23	5.32
• Total outstanding dues of Creditors Other Than Micro Enterprise and Small Enterprises*	181.73	297.29
<b>Total</b>	<b>191.96</b>	<b>302.61</b>

<b>Particulars</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount due	8.87	4.82
- Interest due on above	1.36	0.50
<b>Total</b>	<b>10.23</b>	<b>5.32</b>

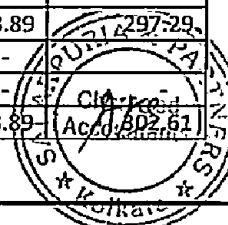
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	1.36	0.50
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

**Ageing of Trade payables - current outstanding as at 31 March, 2023 is as follows :**

<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
	<b>Less than 1 Year</b>	<b>1 - 2 Years</b>	<b>2 - 3 Years</b>	<b>More than 3 Years</b>	
- MSME *	6.04	4.18	-	-	10.23
- Other creditors	114.98	13.43	6.93	46.39	181.73
- Disputed dues - MSME *	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>121.02</b>	<b>17.61</b>	<b>6.93</b>	<b>46.39</b>	<b>191.96</b>

**Ageing of Trade payables - current outstanding as at 31 March, 2022 is as follows :**

<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	
- MSME *	4.18	1.14	-	-	5.32
- Other creditors	164.89	54.49	4.02	73.89	297.29
- Disputed dues - MSME *	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>169.06</b>	<b>55.63</b>	<b>4.02</b>	<b>73.89</b>	<b>297.29</b>

**\* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006**


**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Rs in Lacs

<b>NOTE-11 : FINANCIAL LIABILITIES (NON CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(A) BORROWINGS</b>		
Unsecured Preference Shares	514.64	472.14
Deferred Sales Tax Loan	1.17	1.17
Term Loan*		
From Banks	2,838.32	-
less: Current Maturities of Long Term Borrowings (Refer Note 13(A))	(148.95)	
	<u>2,689.37</u>	
<b>Total</b>	<b>3,205.17</b>	<b>473.31</b>

\*Term Loan taken from Axis Finance Limited includes Dropline Overdraft facility .

**Security**

The Term Loan from Axis Finance Limited is secured against the following:

- 1.Exclusive charge on residential property at Dover Park, Kolkata
- 2.First and exclusive charge on dividend receivables including futures dividend receivables from WPIL Limited to the company and Asutosh Enterprises Limited.
- 3.First and exclusive charge on Rent receivables including futures rent receivables from WPIL Limited to the Company.
- 4.Exclusive charge has been created on 290000 unencumbered fully paid up equity shares of WPIL Limited held by the Company.

**Terms of Repayment of Term Loan from Bank**

Term Loan: To be paid in 40 equal quarterly installments in 10 years.

DOD: Repayable in equal quarterly installment

Interest Rate: 9.70% p.a.

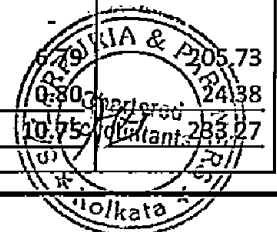
**Guarantee**

Asutosh Enterprises Limited has given Corporate Guarantee for the Loan taken from Axis

Prakash Agarwal (Director) has given Personal Guarantee for the Loan taken from Axis Finance Limited.

<b>NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(C) OTHER FINANCIAL LIABILITIES</b>		
Deferred Liability of Preference Shares	34.28	79.84
<b>Total</b>	<b>34.28</b>	<b>79.84</b>

<b>Note : 12 LONG TERM PROVISIONS</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Contingent Provision against Standard Assets	3.17	3.17
Provision for Employee Benefits		
– Provision for Gratuity		24.38
– Provison for Leave Encashment		283.27
<b>Total</b>		





**HINDUSTHAN UDYOG LTD**

Notes to Standalone Financial Statement As At 31.03.2023

Rs in Lacs

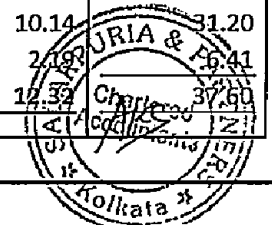
<b>NOTE 13 : FINANCIAL LIABILITIES (CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(A) BORROWINGS</b>		
Current Maturities of Long Term Borrowings (Refer Note No. 11A)	148.95	-
<b>Total</b>	<b>148.95</b>	<b>-</b>

<b>NOTE 13 : FINANCIAL LIABILITIES (CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(B) OTHER FINANCIAL LIABILITIES</b>		
Deferred Liability of Preference Shares	45.56	45.56
Other Payables	2.75	2.75
Bank Book Overdraft	31.94	114.73
Payable to Employees	68.99	55.52
<b>Total</b>	<b>149.24</b>	<b>218.55</b>

<b>Note : 14 OTHER CURRENT LIABILITIES</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Other Payables	67.12	-
Advance from Customers*	32.78	145.02
Deposits From Contractors	4.99	4.99
Statutory Dues Payable	-	-
- Provident Fund	5.72	5.49
- Employee State Insurance Fund & Labour Welfare Fund	0.74	1.55
* C. G. S. T. Payable	87.23	-
* S. G. S. T. Payable	87.07	-
* I. G. S. T. Payable	85.18	-
- Tax Deducted At Source	58.61	1.23
- Professional Tax	2.86	0.56
Advance From Others	418.02	4,618.02
<b>Total</b>	<b>850.32</b>	<b>4,776.85</b>

\* Includes from WPIL Limited (Associate) 29.28 lacs (PY:-4275.10 lacs)

<b>Note : 15 SHORT TERM PROVISIONS</b>	<b>As At 31.03.2023 (₹)</b>	<b>As At 31.03.2022 ₹</b>
Provision for Employee Benefits		
- Provision for Gratuity	10.14	31.20
- Provision for Leave Encashment	2.19	59.41
<b>Total</b>	<b>12.33</b>	<b>90.61</b>



**HINDUSTHAN UDYOG LTD****Notes to the Standalone Financial Statement for the Year Ended 31.03.2023***Rs in Lacs*

<b>Note : 16 REVENUE FROM OPERATIONS</b>	<b>For the Year Ended 31.03.2023 ₹</b>	<b>For the Year Ended 31.03.2022 ₹</b>
A) Revenue from Sale of Products	-	-
<b>Sub Total (A)</b>	-	-
B) Other Operating Revenues	-	-
<b>Sub Total (B)</b>	-	-
<b>Total (A + B)</b>	-	-

<b>Note : 17 OTHER INCOME</b>	<b>For the Year Ended 31.03.2023 ₹</b>	<b>For the Year Ended 31.03.2022 ₹</b>
(a) <u>Interest Income</u>		
– Of Preference Share amortised through FVTPL	62.60	56.40
(b) <u>Dividend Income</u>		
– Dividend from Quoted Equity Shares	0.11	-
– Dividends from Associate Company	386.17	386.17
(c) <u>Other Non Operating Income</u>		
– Income From Fixed Deposit	3.42	9.51
– Rent	278.09	256.24
– Profit/loss on sale of mutual fund	1.28	-
– Liability written back	22.75	-
– Misc. Receipts	70.93	0.27
(d) <u>Other Gains &amp; Losses</u>		
– Mutual Fund measured at FVTPL	-	12.57
<b>Total</b>	<b>825.34</b>	<b>721.16</b>



**HINDUSTHAN UDYOG LTD**

Notes to the Standalone Financial Statement for the Year Ended 31.03.2023

Rs in Lacs

Note : 18 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
Stores Consumed	3.06	4.08
<b>Total</b>	<b>3.06</b>	<b>4.08</b>

Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SALEABLE SCRAP	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
Stock at the Beginning of the Year		
Finished Goods	-	-
Work-in-Progress	-	-
Saleable Scrap	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Stock at the End of the year		
Finished Goods	-	-
Work-in-Progress	-	-
Saleable Scrap	-	-
<b>Changes in Inventories of Finished Goods, Work In Progress and Saleable Scrap</b>	<b>-</b>	<b>-</b>

Note : 20 EMPLOYEE BENEFIT EXPENSES	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
Salary, Wages, Bonus & Allowances *	104.36	97.90
Contribution to Provident Fund, Gratuity, ESI & Other Fund	6.08	6.11
Staff Welfare Expenses	2.47	4.46
<b>Total</b>	<b>112.91</b>	<b>108.47</b>
* Includes Director's Remuneration of ₹ 30 Lacs (P.Y.- ₹ 30 Lacs)		

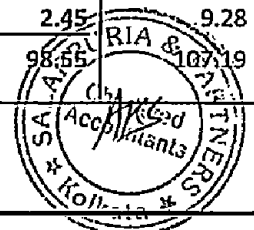
Note : 21 FINANCE COSTS	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
(A) Interest		
- on borrowings from banks		
(B) Other Borrowing Cost		
- processing fees		
<b>Total</b>		



**HINDUSTHAN UDYOG LTD.***Notes to the Standalone Financial Statement for the Year Ended 31.03.2023**Rs in Lacs*

<b>Note : 22 DEPRECIATION &amp; AMORTISATION EXPENSE</b>	<b>For the Year Ended 31.03.2023 ₹</b>	<b>For the Year Ended 31.03.2022 ₹</b>
Depreciation on Property, Plant & Equipment	24.80	26.42
<b>Total</b>	<b>24.80</b>	<b>26.42</b>

<b>Note : 23 OTHER EXPENSES</b>	<b>For the Year Ended 31.03.2023 ₹</b>	<b>For the Year Ended 31.03.2022 ₹</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement & Sales Promotion	0.37	1.41
Rates & Taxes	7.46	5.23
<b>Repairs &amp; Maintenance</b>		
Repairs to Plant & Machinery	0.21	-
Repairs to Factory Building	3.60	0.20
Repairs to Others Assets	1.82	1.53
<b>Travelling Expenses</b>		
Inland Travelling	2.59	0.13
<b>Auditors' Remuneration</b>		
- Audit Fees	2.75	3.38
- Tax Audit Fees	0.25	0.25
- Certification/Limited Review Fees	1.80	4.40
Legal & Professional	0.36	-
Director Meeting Fees	0.39	1.40
Security/Service Charges	31.79	48.50
Electricity Charges	-	0.35
Factory Electric Charges	0.18	0.72
Rent	6.00	-
Factory Godown Rent	3.16	3.17
Bank Charges	0.87	0.42
Conveyance Charges	0.55	2.91
Vehicle Maintenance	2.27	1.16
Sundry Balances Written Off	25.43	0.86
Printing & Stationery	0.31	0.35
Postage, Telegram & Telephone	0.17	0.35
Insurance	0.29	0.52
Listing Fees	3.30	14.27
Investments Written off	-	1.70
Donation & Subscription	0.19	4.70
Miscellaneous Expenses	2.45	9.28
<b>Total</b>	<b>98.55</b>	<b>107.19</b>



**HINDUSTHAN UDYOG LTD**

Notes to the Standalone Financial Statement for the Year Ended 31.03.2023

(Rs in lacs)

<i>NOTE : 24 EXCEPTIONAL ITEM</i>	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
A) Profit from sale of Property plant and Equipment of Nagpur Unit (Refer Note 25(b))	3,402.88	-
B) Tax Expense ( Current Tax )	656.47	-
<i>Total (A -B)</i>	<u>2,746.41</u>	<u>-</u>

<i>Note : 25(a) NET PROFIT/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATION (NAGPUR UNIT)</i>		For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
I.	Revenue from Operations	1,179.29	769.74
II.	Other Income	113.62	78.91
	<i>III. Total Income (I +II)</i>	<u>1,292.91</u>	<u>848.65</u>
IV.	Expenses:		
	Cost of Materials Consumed	891.74	675.85
	Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	(41.27)	(90.28)
	Employee Benefit Expenses	471.64	403.24
	Finance Costs	43.85	48.36
	Depreciation and Amortization Expense	73.47	61.10
	Other Expenses	330.94	184.15
	<i>IV. Total Expenses</i>	<u>1,770.37</u>	<u>1,282.42</u>
V.	Net Profit/(Loss) before tax from discontinued operation(III-IV) (Refer Note 25(b))	<u>(477.46)</u>	<u>(433.77)</u>

Note: The Company has sold/transferred the Property, Plant and Equipment and Other Assets and Liability to WPIL Limited 25(b) (Associate) in accordance with an agreement dated 14th July, 2017 and amended agreement dated 31st March, 2023 for a consideration of Rs. 4706.67 lacs.



**HINDUSTHAN UDYOG LTD****NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023****Note: 26 NOTES****26.1 Contingent Liabilities**

- Letters of Guarantee outstanding as at 31.03.2023 is ₹ 37.12 Lacs (Previous Year - ₹ 32.10 lacs) against which Fixed Deposit of Rs. 39.33 Lacs kept as margin.
- Claim not acknowledged as debts: - Disputed demand for Sales Tax ₹ 131.32 Lacs (Previous Year - ₹ 131.32 Lacs) appealed against.
- VAT Case filed for the year 2007-08 of Rs 62.70 Lacs (Previous Year - ₹ 62.70 Lacs )
- Contingent Liabilities in respect of Income Tax matter under appeal Rs. 284.28 Lacs (Previous Year - ₹ 284.28 Lacs).

**26.2 Related Party Disclosures:****i) Relationship****Key Managerial Personnel (KMP) & their Relatives**

- Mr. V.N. Agarwal Managing Director
- Mr. Prakash Agarwal Director - Son of Mr. V.N. Agarwal
- Ms. Kiran Darulla Director
- Mr. Bal Krishna Mawandia Director
- Mr. Sanjib Kumar Roychowdhury Director
- Ms. Shikha Bajaj Company Secretary

V.N. Enterprise Limited (Enterprise Having Significant Influence)

Macneil Electricals Limited (MEL) (Director having significant influence)

HSM Investment (Director having significant influence)

**Subsidiary Company**

Bharath Oil and Chemical Industries Limited

**Associate Company**

WPIL Limited (WPIL)

Spaans Babcock India Limited

Asutosh Enterprises Limited

Bengal Steel Industries Limited

Hindusthan Parsons Limited

H. S. M. International Private Limited

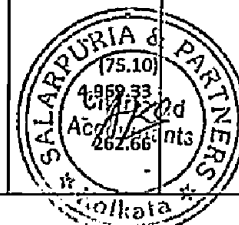
**ii) Transactions with Related Parties**

	Rs in Lacs			
	H. S. M. International Private Limited	Macneil Electricals Limited	WPIL	KMP
Sales & Services			805.31 (460.28)	-
Service Charges			54.00	-
Purchases			34.70 (14.93)	-
Dividend Receipts			386.17 (386.17)	-
Rent Receipts		3.12	281.15 (289.38)	-
Amenities Received			4.99	-
Managerial Remuneration - Mr. V.N. Agarwal			-	30.00 (30.00)
Remuneration paid to Company Secretary - Ms. Shikha Bajaj			-	15.22 (13.07)
Service Charges to Mr. V.N. Agarwal			-	(9.60)
Directors Sitting Fees			-	0.39 (1.40)
Sundry Debtors	50.11 (50.11)		40.29	
Purchase of Fixed Assets			409.28	
Sale of Fixed Assets (excluding amount transferred)			401.00	
Advance from Debtors			(75.10)	
Assets sold During the Year in Nagpur Unit			4,959.33	
Liabilities acquired During the Year in Nagpur Unit			262.66	

**\*\* Figures in bracket reflect previous year balance**

Asutosh Enterprises Limited has given Corporate Guarantee for the Loan taken from Axis Finance Limited.

Prakash Agarwal (Director) has given Personal Guarantee for the Loan taken from Axis Finance Limited



## Details of Advances Given and Received During the year from Related Parties

Name	Transactions	Rs in Lacs	
		As At 31.03.2023 ₹	As At 31.03.2022 ₹
WPIL Limited	Opening Balance payable	4,200.00	4,200.00
	Capital Advance Taken	-	-
	Avance Refunded/Adjusted	4,200.00	-
	Closing Balance payable	-	4,200.00
V.N. Enterprises Limited	Opening Balance receivable	9,532.00	9,680.25
	Further Given	2,565.10	1,506.00
	Avance Refunded	4,200.00	1,654.25
	Closing Balance receivable	7,897.10	9,532.00
Bharath Oil and Chemical Industries Limited	Opening Balance receivable	3.26	2.75
	Advance Given	0.32	0.51
	Avance Refunded	-	-
	Closing Balance receivable	3.58	3.26
Macneill Electricals Limited	Opening Balance receivable	305.50	305.38
	Advance Given	0.50	0.16
	Avance Refunded	0.50	0.04
	Closing Balance receivable	305.50	305.50
H. S. M. International Private Limited	Opening Balance receivable	19.51	19.26
	Advance Given	0.30	0.25
	Avance Refunded	0.05	-
	Closing Balance receivable	19.76	19.51

## 26.3 Segment Reporting

The operation of the Company relates to Single Primary Business Segment (Discontinued Operation) i.e. Engineering (Steel Castings & Alloys). Accordingly, there is no primary business segment. However, information about Segment based on geographical location of the Customers i.e. Domestic & Export Sales have been provided:-

## Information about Secondary Segments - Geographical

PARTICULARS	Rs in Lacs	
	As At 31.03,2023 ₹	As At 31.03.2022 ₹
(i) Revenue by Geographical Market		
- India	1,113.07	628.25
Less: Discontinued Operations	(1,113.07)	(628.25)
- Outside India	66.22	141.48
Less: Discontinued Operations	(66.22)	(141.48)
	-	-

26.4 Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2023. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2023.

26.5 (i) The company had received an advance of ₹ 4200 Lacs from WPIL Limited (Associate) for acquisition of its Alloy and Stainless Steel Casting foundry unit in Nagpur. The same has been adjusted towards sale/transfer of some assets and liabilities to WPIL Limited, its associate in terms of Agreement dated 14th July, 2017 and amended agreement dated 31st March, 2023 for a consideration of Rs. 4706.67 Lacs. The profit on such disposal and on other disposal of Property, Plant and Equipment of Rs. 2746.41 lacs (Net of Tax) is shown as exceptional items and profit/ (loss) of Nagpur Unit has been shown as Profit/ (loss) from discontinuing operation as it is disposed off during the year ended 31st March, 2023. Accordingly, the comparative year figures are regrouped by the company.

(ii) The advance is Given to V N Enterprises Limited for the purchase of Block of Investment.



## 26.6 FAIR VALUE MEASUREMENTS

## (i) Financial instruments by category

	Particulars	Rs In Lacs	
		As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>A.</b>	<b>Financial Assets</b>		
<b>I.</b>	<b>Measured at fair value through other comprehensive income (FVTOCI)</b>		
	Investments	132.08	149.76
<b>II.</b>	<b>Measured at fair value through Profit and Loss (FVTPL)</b>		
	Investments	631.71	872.15
<b>III.</b>	<b>Measured at amortised cost</b>		
	Investments	572.21	566.90
	Trade Receivables	407.34	433.85
	Cash & Cash Equivalents	871.12	69.90
	Bank balances other than above	14.75	33.29
	Other	73.42	25.54
<b>B.</b>	<b>Financial Liabilities</b>		
<b>I.</b>	<b>Measured at amortised cost</b>		
	Borrowings	3,354.12	473.31
	Trade Payables	191.96	302.61
	Other Financial Liabilities	183.52	298.39

(ii) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which the fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the entity has classified its financial instruments into 3 levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured quoted prices

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	Carrying Value	Rs In Lacs		
		Level 1	Level 2	Level 3
<b>Measured at fair value through Other Comprehensive Income (FVTOCI)</b>				
As at 31st March 2023				
Investments	132.08	-	-	132.08
As at 31st March 2022				
Investments	149.76	-	-	149.76
<b>Measured at amortised cost for which fair value is disclosed</b>				
As at 31st March 2023				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 31st March 2022				
Deferred Sales Tax Loan	1.17	-	-	1.17





26.7 No Preference Dividend is payable to Preference Shareholders in respect of aforesaid 10% Cumulative Redeemable Preference Shares as they have waived their right in respect of any Preference dividend from the date of allotment of these Shares till the date of their redemption and measured at amortised cost. These Preference Shares are due for redemption on 9th January, 2022 but have been extended for a period of 3 Years i.e, 9th January, 2025.

**26.8 Earnings Per Share**

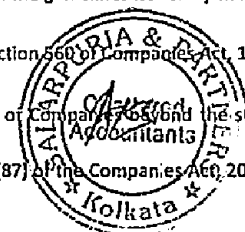
Particulars	2022-2023	2021-2022
(A) Earnings available for Equity Shareholder(Rs in lacs)		
From Continuing Operations	3,244.93	474.37
From Discontinuing Operations	(477.46)	(433.77)
(B) Weighted Average Number of Equity Shares		
From Continuing Operations	61,94,996	61,94,996
From Discontinuing Operations	61,94,996	61,94,996
(C) Earnings Per Share (basic/diluted)(A/B)		
From Continuing Operations	52.38	7.66
	(7.71)	(7.00)
(D)	44.67	0.65

**26.9 Additional Regulatory Information**

(i) The Title Deeds of all the immovable properties held by the company as on 31st March, 2023 and 31st March, 2022 are in the name of the company, other than Immovable Property disclosed below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
PPE	Building	364.55 (In lakhs)	Neptune Exports Limited (Transferor Company which amalgamated with the Company with effect from 01.04.2019)		4/1/2019	Acquired on account of amalgamation

- (ii) There is no Investment Property held by the company as on 31st March 2023 and 31st March 2022 so disclosure regarding valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- (iii) The Company has not revalued any of the Property, Plant and Equipment (including Right-of Use Assets) held as on 31st March 2023 and 31st March 2022 so disclosure regarding valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- (iv) There is no Intangible asset held by the company as on 31st March 2023 and 31st March 2022 so disclosure regarding valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- (v) The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person. So, disclosure regarding the same is not required.
- (vi) Capital Work-In Progress - There is no Capital work in progress as on 31st March 2023 and 31st March 2022.
- (vii) Intangible assets under development - There is no such Intangible assets under development as on 31st March 2023 and 31st March 2022.
- (viii) No such Proceeding have been initiated or pending against the company for holding any benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, so disclosure regarding this is not Applicable.
- (ix) No Such borrowings from banks and Financial Institutions has been taken by the company on the basis of Security of current assets.
- (x) The Company is not declared wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines issued by the Reserve Bank of India.
- (xi) The company has no such transactions with company struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956
- (xii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (xiii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.



**HINDUSTHAN UDYOG LTD**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

## xiv Keys Ratios:

Ratios	Numerator	Denominator	2022-23	2021-22	Percentage of Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	7.63	2.30	231.54%	Due to decrease in short term advances received from customers and others.
Debt Equity Ratio	Total Debt	Shareholder's Equity	0.28	0.05	443.66%	Due to loan taken from Axis Bank
Debt Service Coverage Ratio*	Earning available for debt service	Debt Services	0.98	-	-	As Company has taken Term Loan during the year
Return on Equity Ratio	Net Profit after Taxes - Preference Dividend (if any)	Average Shareholders Equity	26.36%	0.45%	-5803.12%	Due to exceptional profit from sale of Property Plant & Equipment of nagpur unit
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.85	1.84	54.68%	Due to transfer of inventory to WPIL Limited.
Trade Receivable Turnover Ratio	Net Credit Sales	Average Accounts Receivable	2.80	2.10	33.75%	Due to increase in revenue of operation
Trade Payables Turnover Ratio	Net Credit purchases	Average Accounts Payable	1.43	1.70	-15.64%	NA
Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital	0.15	0.11	34.85%	Due to increase in revenue of operation
Net Profit Ratio	Net Profit	Net Sales	2.35	0.05	-4354.25%	Due to increase in profit due to sale of some Property Plant & Equipment of nagpur unit.
Return on Capital Employed	Earning before interest and taxes	Capital Employed	0.36	0.02	-1707.64%	Due to increase in profit due to sale of nagpur unit.
Return on Investment						
(a) Quoted	Income generated from Invested fund	Fund Invested	-12.84%	29.84%	143.02%	Due to fluctuation in market price.
(b) Unquoted	Income generated from Invested fund	Fund Invested	0.00%	-24.03%	-100.00%	No additional return during the year.
(c) Mutual Fund	Income generated from Invested fund	Fund Invested	0.40%	4.33%	-90.73%	Due to sale of mutual fund
(d) Associate	Dividend	Fund Invested	108.02%	108.02%	0.00%	NA

\* Preference share which is to be redeemed in the year 2025 is not considered for calculation of this ratio.

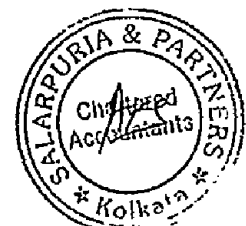


**HINDUSTHAN UDYOG LTD****NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

- (xv) No Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013, so the disclosure regarding this is not applicable.
- (xvi) A) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- B) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 26.10 There is no such transactions is recorded in the books of accounts that has been surrendered or disclosed as income during the year in the Tax Assessments under the Income Tax Act, 1961 (Such as, search or Survey or any other relevant provisions of the Income Tax Act, 1961), unless there is Immunity for disclosure under any scheme. Also, there is no such previously unrecorded income and related assets have been properly recorded in the books of account during the year.
- 26.11 As per section 135 of the Companies Act 2013, the Company is required to spend, in every financial year, at least 2% of the Average net profit made during three immediately preceding financial years. Since the Company has no Average Net Profit during the said period, so the company did not spend any amount in Corporate Social Responsibility activities during the current financial year.
- 26.12 The company has not traded and invested in crypto currency or Virtual Currency during the Financial Year 2022-23.
- 26.13 The Processing Fees is amortised throughout the tenure of the Loan taken from Axis Finance Limited.
- 26.14 Further the Board of Directors of the company, have approved a Scheme of Amalgamation/Merger at their meeting held on 29th July 2022 of Asutosh Enterprises Limited with the company with effect from April 1, 2022 subject to the other Statutory Compliances.
- 26.15 Equity Shares Issued by the Transferee Company in respect of Business Combination in accordance with Ind AS 103 to the shareholders of Transferor Companies after cancellation of Inter Company Holdings during the year ended 31st March, 2022 as follows:

Name of the Companies	For Transferor Companies Number of Equity Shares Held	Exchange Ratio	Issued Equity Shares of the Company to Shareholders of the Transferor companies	Total Number of Equity Share Post Amalgamation	Percentage of Each Entity Equity shares exchanged
	A	B	C=A*B	D	E=C/D
Tea Time Limited	22,98,819	100:807	2,84,863	61,94,996	4.60%
Neptune Exports Limited	21,94,170	100:936	2,34,420	61,94,996	3.78%
Orient International Limited	16,00,300	100:2555	62,634	61,94,996	1.01%
Northern Projects Limited	14,07,870	100:837	1,68,204	61,94,996	2.72%
			7,50,121		

Net assets Taken after adjusting reserve and surplus Rs. 510.86 Lac for which Equity Share Capital issued for Rs. 75.01 Lac rest Rs. 435.85 Lac treated as Capital Reserve.



**HINDUSTHAN UDYOG LTD**

Notes to the Standalone Financial Statements for the year ended 31.03.2023

**26.16 Disclosures as required under Indian Accounting Standard 19 on "Employee Benefits"****A. Defined Benefit Plan**

The Company has unfunded scheme for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon tenure of service for each year of completed service subject to minimum five years of service payable at the time of separation upon superannuation or on exit otherwise.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans .

Rs in Lacs

PARTICULARS	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
<b>1. Change in the Defined Benefit Obligation</b>				
- Defined Benefit Obligation as at the beginning	15.99	229.99	3.18	35.26
- Current Service Cost	1.23	11.03	0.18	1.74
- Interest Expense or Cost	1.09	14.26	0.22	2.19
- Actuarial (gains) / losses arising from:	-	-	-	-
change in demographic assumptions	-	-	-	-
change in financial assumptions	(0.28)	(5.89)	(0.02)	(0.58)
experience variance	0.64	5.66	(0.17)	(3.96)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Benefits paid	(1.75)	(18.12)	(0.40)	(3.86)
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
- Present Value of Obligation as at the end	16.92	236.93	2.98	30.78
<b>2. Expenses recognised in the statement of Profit &amp; Loss</b>				
- Current Service Cost	1.23	11.03	0.18	1.74
- Interest Expense or Cost	1.09	14.26	0.22	2.19
- Actuarial (gains) / losses arising from:	-	-	-	-
change in demographic assumptions	-	-	-	-
change in financial assumptions	(0.28)	-	(0.02)	(0.58)
experience variance	0.64	-	(0.17)	(3.96)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
<b>Total</b>	<b>2.68</b>	<b>25.29</b>	<b>0.20</b>	<b>(0.62)</b>
<b>3. Other Comprehensive Income</b>				
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	(0.28)	(5.89)	(0.02)	-
experience variance	0.64	5.66	(0.17)	-
<b>Total</b>	<b>0.36</b>	<b>(0.23)</b>	<b>(0.19)</b>	<b>-</b>
<b>4. Actuarial Assumptions</b>				
(a) Financial Assumptions				
Discount rate p.a	7.15%	6.70%	7.15%	6.70%
Salary growth rate p.a	5.00%	5.00%	5.00%	5.00%

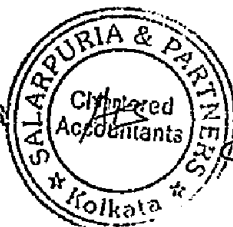
26.17 Previous years' figures have been regrouped and rearranged, wherever necessary.

For Salarpuria & Partners  
Chartered Accountants  
Firm ICAI Reg. No. 302113E

**Amit Kumar Sureka**

*Amit Kumar Sureka*

Place: Kolkata  
Date: 29.05.2023  
Chartered Accountant  
Membership No.-304607  
Partner

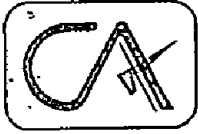


For and on behalf of the Board of Directors

*Ravi Agarwal*

*Sukh Bajaj*  
Company Secretary

*Umapada*  
Directors



# Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072  
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website : www.salarpuriajajodia.com  
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office@salarpuriajajodia.com  
Branches at New Delhi & Bangalore

## INDEPENDENT AUDITOR'S REPORT

To The Members of Hindusthan Udyog Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of *Hindusthan Udyog Limited* (hereinafter referred to as the "Parent Company"), and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), and its associates which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and stands to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

i) Include the annual financial results of the following entities: -

Entity Name	Relationship
Hindusthan Udyog Limited	Parent Company
Bharath Oil And Chemical Industries Limited	Subsidiary Company
Asutosh Enterprises Limited	Associate Company
Bengal Steel Industries Limited	Associate Company
Hindusthan Parsons Limited	Associate Company
HSM International Private Limited	Associate Company
WPIL Limited	Associate Company
Spaans Babcock India Limited	Associate Company

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.





# Salarpuria & Partners

CHARTERED ACCOUNTANTS

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e-mail : salarpuria.jajodia@rediffmail.com  
office@salarpuriajajodia.com  
Branches at New Delhi & Bangalore

## Emphasis of Matter

We draw attention to the following matters in the Notes to the Financial Statements:

- Note No. 2 to the Financial Statements which describes that no provision for amortization has been made for long term Leasehold Land at Durgapur.
- The company filed a lawsuit against Mahanadi Coalfields Ltd. For recovery of ` 91.93 lacs at Cuttack High court for which no provision has been made in the accounts.
- The Company has discontinued its operations at Nagpur Unit since it has sold/transferred its Property, Plant and Equipment to its Associate, i. e. WPIL Limited.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

The Key Audit Matter	How was the matter addressed in our audit
<b>Assessment of litigation and contingent liabilities and their related disclosures (refer note 26.1 to the consolidated Ind AS financial statements)</b>	
<ul style="list-style-type: none"><li>As at 31st March ,2023 Company has exposure towards litigations related to Direct Tax and Indirect Tax. The Company's management performs an assessment of pending litigations and mixed decision thereof. As the ultimate outcome of the matters are uncertain and the positions taken are based on application of the best judgement including those relating to interpretation of laws/regulations and company's status to bear such litigation related to Direct Tax and Indirect Tax , it is considered to be as the Key Audit Matter.</li></ul>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"><li>Tested the design and implementation of internal control over the quantification of the estimates used as well as the operating effectiveness of such control.</li><li>Discussed with Company's tax/legal team, the recent developments and status of the material litigations matters relating to Direct Tax and Indirect Tax which were reviewed and noted by Board of Directors.</li><li>Assess the adequacy of the company's disclosure.</li><li>Based on the above work performed , Company's tax/legal team's assessment in respect of litigations related to Direct Tax and Indirect Tax and related disclosures under contingent liability in the financial statements are considered to be reasonable.</li></ul>





# Salarpuria & Partners

CHARTERED ACCOUNTANTS

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Branches at New Delhi & Bangalore

## ***Information Other than the Ind AS Financial Statements and Auditor's Report Thereon***

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Shareholder's Information, and Corporate Governance but does not include the Ind AS Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

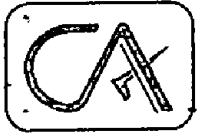
## ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statement.***

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of Group and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.





# Salarpuria & Partners

CHARTERED ACCOUNTANTS

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## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.







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We communicate with those charged with governance of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

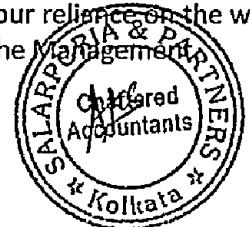
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matters**

- (a) As per the agreement, the company has sold/transferred its Assets and Liabilities of Nagpur Unit to its Associate, WPIL Limited for a consideration of Rs. 4706.67 Lacs. The profit on such disposal and on other disposal of Property, Plant and Equipment of Rs. 2746.41 lacs (Net of Tax) shown as exceptional items and profit/ (loss) of Nagpur Unit has been shown as Profit/ (loss) from discontinuing operation as it is disposed off during the year ended 31st March, 2023. Accordingly, all the previous year figures have been regrouped by the company. Refer note no. 26.5,24 & 25(b) to the Consolidated Ind AS Financial Statements.
- (b) The consolidated financial results include the unaudited financial result of 01 (one) Subsidiary for the year ended March 31, 2023, as certified by the management whose total asset of Rs. 101.25 lakhs for the above-mentioned period and included total asset of Rs.100.81 lakhs for the year ended March 31, 2022, audited by the other auditor.
- (c) The consolidated financial statements include the audited financial statements of 02 (two) associates, audited by other auditors whose financial information reflect Parent company's share of total net profit after tax of Rs. 47.24 lakhs for the year ended 31 March 2023, and share of total comprehensive income of Rs.47.24 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements.
- (d) The consolidated financial statements also include the unaudited financial statement of 03 (three) associate, certified by the management, whose financial information reflect Parent company's share of total net profit after tax of Rs. (38.00) lakhs for the year ended 31 March 2023, and share of total comprehensive income of Rs. (38.00) lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements .These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information provided by the Management.





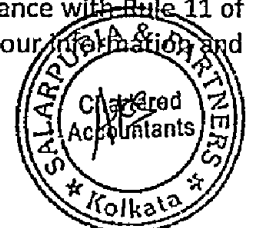
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## **Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and associate, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
  - (a) The other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the preparation of the Consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associates and subsidiary company incorporated in India, none of the directors of the company, its associates companies, its subsidiary company incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure -A".
  - (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Group and its associates to its directors during the year ended 31<sup>st</sup> March 2023 is in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:





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- (i) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements – Refer Note 26.1 to the Consolidated Ind AS Financial Statements.
- (ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Parent has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- (vi) Proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recoding audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

*For Salarpuria & Partners*

*Chartered Accountants*

*Firm ICAI Reg. No. 302113E*

**Amit Kumar Sureka**

*Amit Kumar Sureka*

Chartered Accountant

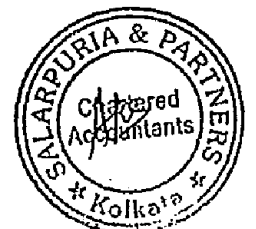
Membership No.-304607

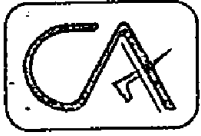
Partner

UDIN: 233046076HALR67529

Place : Kolkata

Date : 29.05.2023





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## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to Paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of Hindusthan Udyog Limited for the year ended 31st March, 2023)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of Hindusthan Udyog Limited ("the Parent Company") and subsidiary and associates companies.

### *Management's Responsibility for Internal Financial Controls*

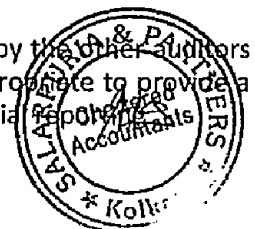
The respective Board of Directors of the Parent Company, its Associates and subsidiary is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note issued by the ICAI") and the Standards on Auditing issued by ICAI, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.





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## *Meaning of Internal Financial Controls over Financial Reporting*

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## *Inherent Limitations of Internal Financial Controls over Financial Reporting*

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## *Opinion*

In our opinion, the Parent Company, its Associates and subsidiary has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## *Other Matters*

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 6 Associate companies and 1 Subsidiary Company, which are companies incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

*For Salarpuria & Partners*

*Chartered Accountants*

*Firm ICAI Regn. No. 302113E*

*Amit Kumar Sureka*

*Amit Kumar Sureka*

Chartered Accountant  
Membership No.-304607  
Partner

UDIN: 23304607BHALLR617529

Place: Kolkata.

Date: 29.05.2023



**HINDUSTHAN UDYOG LTD.**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023**  
**CIN No.: L27120WB1947PLC015767**

Rs in Lacs

ASSETS	Notes	As At	As At
		31.03.2023	31.03.2022
<b>ASSETS:</b>			
<b>(1) NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2(a)	4,746.63	1,232.49
(b) Capital Work in Progress	2(b)	77.72	77.43
(c) Financial Assets			
(i) Investments	3(a)	32,069.78	25,521.87
(ii) Trade Receivables	3(b)	50.11	50.11
(iii) Other Financial Assets	3(c)	44.27	23.05
(d) Deferred Tax Assets (Net)	4	-	-
(e) Other Non- Current Assets	5	28.49	114.32
<b>Total Non- Current Assets</b>		<b>37,017.00</b>	<b>27,019.28</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	6	29.65	799.04
(b) Financial Assets			
(i) Trade Receivables	3(b)	357.23	383.74
(ii) Cash & Cash Equivalents	7(a)	871.31	70.09
(iii) Bank balances other than (ii) above	7(b)	14.75	30.54
(iv) Other Financial Assets	7(c)	29.35	2.81
(c) Current Tax Asset (Net)	8	67.40	654.24
(d) Other Current Assets	9	8,947.06	10,326.17
<b>Total Current Assets</b>		<b>10,316.75</b>	<b>12,266.63</b>
<b>Total Assets</b>		<b>47,333.75</b>	<b>39,285.90</b>

EQUITY AND LIABILITIES	Notes	As At	As At
		31.03.2023	31.03.2022
<b>EQUITY AND LIABILITIES:</b>			
<b>(1) EQUITY</b>			
(a) Equity Share Capital	10(A)	619.50	619.50
(b) Other Equity	10(B)	42,055.71	32,488.87
<b>Total Equity</b>		<b>42,675.21</b>	<b>33,108.37</b>
<b>(2) Non Controlling Interest</b>		20.01	20.01
<b>(2) LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11(a)	3,205.17	473.31
(iii) Other Financial Liabilities	11(c)	55.29	97.65
(b) Provisions	12	10.75	233.28
(c) Deferred Tax Liabilities (Net)	4	14.30	17.43
<b>Total non- current liabilities</b>		<b>3,285.51</b>	<b>821.68</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13(a)	148.95	-
(ii) Trade Payables	11(b)		
Total Outstanding dues of Micro and Small Enterprise		10.23	5.32
Total Outstanding dues of creditors other than Micro and Small Enterprise		181.73	297.29
(iii) Other Financial Liabilities	13(b)	149.23	218.55
(b) Other Current Liabilities	14	850.56	4,777.08
(c) Provisions	15	12.32	37.60
<b>Total current liabilities</b>		<b>1,353.02</b>	<b>5,335.85</b>
<b>Total Liabilities</b>		<b>4,638.53</b>	<b>6,157.52</b>
<b>Total Equity and Liabilities</b>		<b>47,333.75</b>	<b>39,285.90</b>

Significant Accounting Policies & Other Notes

For **HINDUSTHAN UDYOG LIMITED**

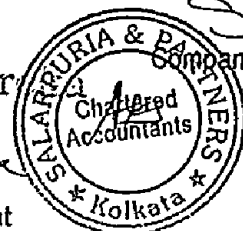
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The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **SALARPURIA & PARTNERS**

Chartered Accountants  
 Firm: ICAI Reg. No. 304607



Company Secretary

For and on behalf of the Board of Directors

*Amit Kumar Saha*

Chartered Accountant

Place: Kolkata  
 Date: 29.05.2023

*Jitendra Bajaj*  
*Ratna Aggarwal*  
*Umagandha*

**HINDUSTHAN UDYOG LTD**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2023**
**CIN No.: L27120WB1947PLC015767**

Rs in Lacs except EPS

Particulars	Notes	For the	For the
		Year Ended 31.03.2023	Year Ended 31.03.2022
		₹	₹
<b>Continuing Operations</b>			
<b>Income:</b>			
I. Revenue from Operations	16	-	-
II. Other Income	17	439.16	335.00
<b>III. Total Income (I + II)</b>		<b>439.16</b>	<b>335.00</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	18	3.06	4.08
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	19	(0.00)	-
Employee Benefit Expenses	20	112.91	108.46
Finance Costs	21	87.37	-
Depreciation and Amortization Expense	22	24.80	26.42
Other Expenses	23	98.54	107.19
<b>IV. Total Expenses</b>		<b>326.68</b>	<b>246.15</b>
V. Profit/(loss) before share of profit/(loss) of an associate / a joint venture and exceptional items (III-IV)		112.48	88.85
VI. Exceptional Item	24	2,746.41	-
VII. Share of profit/(loss) of an associate / a joint venture		7,488.82	3,903.34
VII. Profit/(loss) before tax (V+VI+VII)		10,347.72	3,992.19
VIII. Tax Expense:			
1 Current Tax		0.13	-
2 Tax for earlier years (Net)		-	(0.63)
3 Deferred Tax		-	1.31
<b>Net Current Tax (VIII)</b>		<b>0.13</b>	<b>0.68</b>
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		10,347.59	3,991.51
<b>Discontinuing Operations</b>			
X. Profit/(loss) from discontinued operations	25(a)	(477.46)	(433.76)
XI. Tax expense of discontinued operations		-	-
XII. Profit/(loss) from Discontinued operations after tax (X-XI)		(477.46)	(433.76)
XIII. Profit/(loss) for the period (IX+XII)		9,870.13	3,557.74
XIV. Other Comprehensive Income for the period			
(A) (i) Item that will not be reclassified to Profit or Loss			
→ Changes in Fair Valuation of Equity Instrument		(17.68)	29.52
→ Net Gain/(Loss) on disposal of investments in equity shares		-	-
→ Remeasurement of Defined benefit Plans		13.21	0.23
Share of OCI of Associates		(301.98)	176.08
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		3.14	(2.48)
(B) (i) Items that will be reclassified to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
XV. Total Comprehensive Income for the period (XIII+XIV)		9,566.83	3,761.09
<b>Earnings per Equity Share (for Continuing Operation):</b>	26.7		
(1) Basic		167.03	64.43
(2) Diluted		167.03	64.43
<b>Earnings per Equity Share (for discontinuing Operation):</b>			
(1) Basic		(7.71)	(7.00)
(2) Diluted		(7.71)	(7.00)
<b>Earnings per Equity Share (for discontinued &amp; Continuing Operation):</b>			
(1) Basic		159.32	57.43
(2) Diluted		159.32	57.43

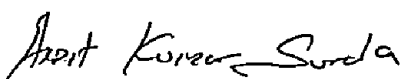
**Significant Accounting Policies & Other Notes**

 The accompanying notes are an integral part of the Financial Statements  
 As per our report of even date

For SALARPURIA &amp; PARTNERS

Chartered Accountants

Amit Kumar Sureka



 Chartered Accountant  
 Membership No.-304607

Place : Kolkata Partner

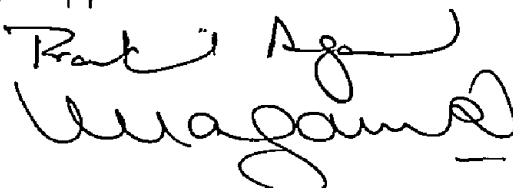
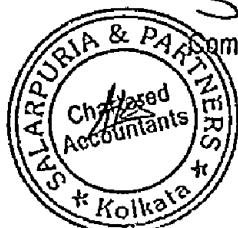
Date : 29.05.2023

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For HINDUSTHAN UDYOG LIMITED


 Shikha Bajaj  
 Company Secretary

For and on behalf of the Board of Directors

**HINDUSTHAN UDYOG LTD****Statement of Consolidated Cash Flows for the year ended 31.03.2023****Rs in Lacs**

PARTICULARS	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before Tax & Extra-Ordinary Items from:		
Continuing Operations	7,601.33	3,992.17
Discontinuing Operations	(477.46)	(433.76)
Profit before tax including discontinuing operations	3,402.88	
<b>Adjustment for :</b>		
Depreciation & Amortisation	98.27	87.52
Profit from Associate Company	(7,488.82)	(3,903.34)
Interest Expense	131.22	48.36
Interest Income	(111.58)	(55.19)
Profit on sale of Property Plant and Equipment	(3,402.88)	
Profit on sale of Mutual Funds	(1.28)	(68.97)
Investment written off	-	1.70
Operating Profit before Working Capital Changes	(248.33)	(331.51)
<b>Movements In Working Capital :</b>		
Increase/(Decrease) in Trade Payables	(110.66)	(16.59)
Increase/(Decrease) in Other Liabilities	(27.25)	124.02
(Increase)/ Decrease in Inventories	769.39	(105.01)
(Increase)/ Decrease in Trade Receivables	26.51	(33.13)
(Increase)/Decrease in Other Assets	1,417.18	91.43
Cash generated from/(used in) Operations	1,826.83	(270.80)
Direct Taxes Paid (Net)	(69.76)	(73.56)
<b>Net Cash from Operating Activities</b>	<b>1,757.07</b>	<b>(344.36)</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Property, Plant and Equipment	288.90	-
Interest Received	3.42	9.19
Capital work in progress	(0.39)	(0.38)
Dividend Received	386.17	386.17
(Purchase)/Sale of Investments (Net)	297.74	-
Purchase of Property, Plant and Equipment	(4,698.43)	(26.35)
Increase/Decrease in Bank Deposits	15.79	(11.72)
<b>Net Cash from Investing Activities</b>	<b>(3,706.80)</b>	<b>356.91</b>





**HINDUSTHAN UDYOG LTD.**

Statement of Consolidated Cash Flows for the year ended 31.03.2023

Rs in Lacs

PARTICULARS	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(87.37)	-
Repayment :		
Proceeds/(Repayment) of Long Term Borrowings	2,689.37	-
Proceeds/(Repayment) of Short Term Borrowings	148.95	-
<b>Net Cash from Financing Activities</b>	<b>2,750.95</b>	<b>-</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>801.22</b>	<b>12.55</b>
Cash and Cash Equivalents at the beginning of the year	70.09	57.55
Cash and Cash Equivalents at end of the year	871.31	70.09

PARTICULARS	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>Cash &amp; Cash Equivalents :</b>		
Balances with Bank		
Current Account	846.70	47.00
Bank Deposits with Maturity less than 3 months	-	-
Bank Book Overdraft	-	-
Cash on Hand	24.61	23.08
<b>Total</b>	<b>871.31</b>	<b>70.09</b>

**Note :**

- (a) Previous year's figures have been regrouped/recasted wherever necessary.
- (b) The above cash flow has been prepared under "Indirect Method" as per Ind AS 7, "Statement of Cash Flows", as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For HINDUSTHAN UDYOG LIMITED

FOR SALARPURIA & PARTNERS  
CHARTERED ACCOUNTANTS  
Firm ICAI Reg. No.302113E

Company Secretary

Amit Kumar Surels

*Amit Kumar Surels*

Chartered Accountant  
Membership No.-304607  
Partner

Place : Kolkata

Date : 29.05.2023



For and on behalf of the Board of Directors

*Rat Ag*  
*Umagand*

**(A) Equity Share Capital**

**(1) Current reporting period**

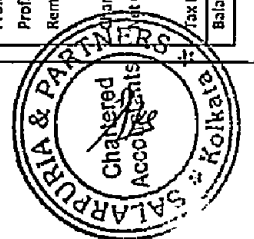
Balance at the beginning current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year			Balance at the end of the current reporting period
			Reduction in Share Capital on account of Amalgamation (Share Suspense Account)	Issued during the year	Cancelled during the year	
619.50	-	619.50	-	-	-	619.50

**(2) Previous reporting period**

Balance at the beginning current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year			Balance at the end of the current reporting period
			Reduction in Share Capital on account of Amalgamation (Share Suspense Account)	Issued during the year	Cancelled during the year	
619.50	-	619.50	-	-	-	619.50

**(B) Other Equity**

Particulars	Note No.	RESERVES & SURPLUS					OTHER COMPREHENSIVE INCOME				Total Other Equity	
		Securities Premium	Revaluation in Surplus	General Reserve	FBI Reserve Fund	Special Capital Incentive	Capital Reserve	Retained Earnings	Fair Value Gain/(Loss) on Equity Instruments	Remeasurement of Defined Benefit Plans		Share of OCI of associates
Balance as on 01.04.2021		138.41	48.45	1,722.02	461.79	30.00	4,565.31	21,568.67	359.34	(44.12)	(122.07)	28,727.79
Transfer to Retained Earning		-	-	-	-	-	-	(345.62)	-	-	176.08	(169.53)
Profit from Associate Company		-	-	-	-	-	-	3,903.34	-	-	-	3,903.34
Profit for the year 2021-2022		-	-	-	-	-	-	-	-	-	-	-
Changes in Accounting Policies or Prior Period Errors		-	-	-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined Liability/Asset		-	-	-	-	-	-	-	-	0.23	-	0.23
Net Gain/(Loss) on disposal of Investments in equity shares		-	-	-	-	-	-	-	-	-	-	-
Changes in Fair Value of Investment		-	-	-	-	-	-	-	29.52	-	-	29.52
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	-	(2.48)	-	-	(2.48)
Restated Balance at 31st March, 2022		138.41	48.45	1,722.02	461.79	30.00	4,565.31	25,126.39	386.37	(43.89)	54.02	32,488.87
Transfer to Retained Earning		-	-	-	-	-	-	-	-	-	-	-
Profit for the year 2022-2023		-	-	-	-	-	-	-	-	-	-	-
Profit from Associate Company		-	-	-	-	-	-	2,381.30	-	-	-	2,381.30
Remeasurement of Net Defined Liability/Asset		-	-	-	-	-	-	7,488.82	-	13.21	-	7,186.85
Changes in Fair Value of Investment		-	-	-	-	-	-	-	-	-	-	13.21
Net Gain/(Loss) on disposal of Investments in equity shares		-	-	-	-	-	-	-	(17.68)	-	-	(17.68)
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	-	3.14	-	-	3.14
Balance as at 31st March, 2023		138.41	48.45	1,722.02	461.79	30.00	4,565.31	34,996.51	371.84	(30.67)	(247.96)	42,055.71



## **HINDUSTHAN UDYOG LTD**

**Notes to Consolidated Financial Statement As At 31.03.2023**

### **NOTE 1 (A) : CORPORATE INFORMATION**

The Company ("Hindusthan Udyog Limited") is an existing public company incorporated on 3rd September, 1947 under the Indian Companies Act, and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Trinity Plaza, 3rd floor, 84/1A, Topsia Road (South), Kolkata - 700046. The Company is engaged in manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Heavy Earth Equipments, Pumps, Valves and Compressors and other Heavy Engineering Industries. It is also engaged in manufacturing of Material Handling Equipments of varied nature required in the Mines, Cement Plants, Power Plants and Other General Engineering Sectors. The manufacturing units are located in Kolkata and Nagpur unit which is discontinued and disposed off during the financial year. The Equity Shares of the Company are listed on BSE Limited ("BSE"). The Financial Statements are presented in Indian Rupees.

### **NOTE 1 (B) : SIGNIFICANT ACCOUNTING POLICIES.**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

#### **I) BASIS OF PREPARATION**

The financial statements of Hindusthan Udyog Ltd ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India.

The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis. The Financial Statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- 1 Certain financial assets and liabilities that are measured at fair value.
- 2 Assets held for sale which are measured at lower of carrying value and fair value less cost to sell.
- 3 Defined benefit plans where plan assets are measured at fair value.

The financial statements for the year ended 31st March, 2023 have been approved by the Board of Directors of the Company in their meeting held on 29th May, 2023.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As set out in the Schedule III to the Companies Act, 2013, the normal operating cycle cannot be identified and hence it is assumed to have a duration of twelve months.

The financial statements are presented in INR and all values are rounded off to the nearest lacs (INR 00,000), except when otherwise indicated.

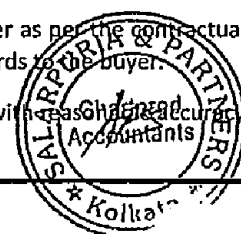
#### **Use of Estimates and Management Judgement**

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

#### **II) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances, rebates, value added taxes, goods and services tax and amounts collected on behalf of third parties. The company recognizes revenue when the amount of Revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

- 1 Sales are recognised when significant risks, rewards and control are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.
- 2 Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.



## **HINDUSTHAN UDYOG LTD**

**Notes to Consolidated Financial Statement As At 31.03.2023**

### **III) Other Income:**

- 1 Interest Income on Financial Assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the Financial Asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.
- 2 Dividends are recognized in the statement of profit and loss only when the right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
- 3 Profit/Loss on sale of Investments is recognised on the contract date.
- 4 Others: The Company recognizes other income (including rent and misc receipts) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

### **IV) Current Versus Non -Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Company's operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in Company's operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

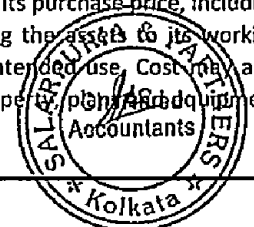
### **V) Property, Plant and Equipment**

#### **a) Asset Class:**

- i) Freehold Land is carried at historical cost including cost that is directly attributable to the acquisition of the land.
- ii) All other items of property, plant and equipment are stated at historical cost less accumulated depreciation/ amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment recycled from hedge reserve as basis adjustment.



## **HINDUSTHAN UDYOG LTD.**

**Notes to Consolidated Financial Statement As At 31.03.2023.**

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency recycled from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred except the amortisation value of durgapur leasehold land is not material.

### **Depreciation**

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

### **VI) Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal group classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

### **VII) Disposal of Assets**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### **VIII) Investment Property**

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.



## **HINDUSTHAN UDYOG LTD**

**Notes to Consolidated Financial Statement As At 31.03.2023**

### **IX) Intangible Asset**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives including Goodwill are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### **X) Foreign currency Transactions**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in India Rupee which is Hindusthan Udyog Limited's functional and presentation currency.

- a) On initial recognition, all foreign currency transaction are recorded at foreign exchange rate on the date of transaction.
- b) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
- c) The gain or loss on decrease/increase in reporting currency due to fluctuation in foreign exchange rate, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss

### **XI) Inventories**

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for purchases of raw materials.

Cost is determined using the weighted average cost for Nagpur Unit and FIFO for Kolkata Unit. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



## **HINDUSTHAN UDYOG LTD**

**Notes to Consolidated Financial Statement As At 31.03.2023**

### **XII) Financial Instruments**

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

#### **Classification of Financial Assets**

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

#### **Financial assets at amortised cost and the effective interest method**

Debt instruments are measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

#### **Financial assets at fair value through other comprehensive income (FVTOCI)**

Debt instruments are measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

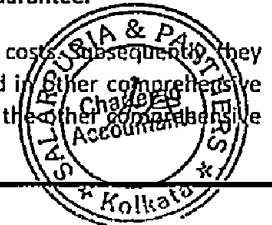
Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on Remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

#### **A Financial Asset is held for Trading if:**

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other comprehensive income is directly reclassified to retained earnings.



## **HINDUSTHAN UDYOG LTD**

**Notes to Consolidated Financial Statement As At 31.03.2023**

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

### ***Financial Assets at Fair Value through Profit and Loss (FVTPL)***

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

### ***Impairment of Financial Assets***

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

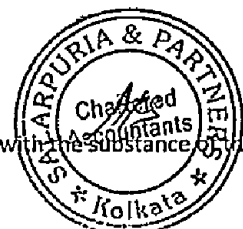
If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

### ***Financial Liabilities and Equity Instruments issued by the Company***

#### ***Classification as Debt or Equity***

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.





## **HINDUSTHAN UDYOG LTD.**

**Notes to Consolidated Financial Statement As At 31.03.2023**

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### **Compound instruments**

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

### **Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

#### **Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

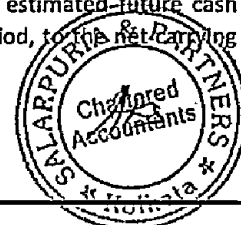
The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

### **Other Financial Liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



## **HINDUSTHAN UDYOG LTD.**

**Notes to Consolidated Financial Statement As At 31.03.2023**

### **XIII) Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 1 In the principal market for the asset or liability, or
- 2 In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **XIV) Trade Receivables**

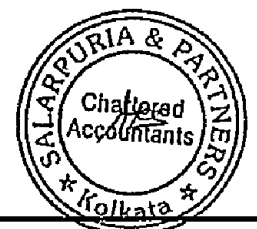
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured initially at fair value, and subsequently at amortised cost using effective interest method, less provision for impairment.

Loss allowance for expected life time credit loss is recognised on initial recognition.

### **XV) Trade Payables**

Trade Payables are liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.



## **HINDUSTHAN UDYOG LTD**

**Notes to Consolidated Financial Statement As At 31.03.2023**

### **XVI) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised at transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In the case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a repayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes repayable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **XVII) Income Tax**

The income tax expense or credit for the period is the tax payable on current period's taxable income based on the applicable income tax rates for the jurisdiction.

Current tax and deferred tax are recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or other comprehensive income.

#### **Current Income Tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management evaluates periodically positions taken with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

#### **Deferred Tax**

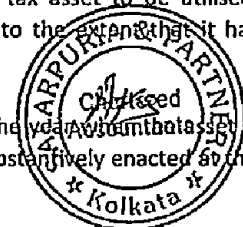
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.



## **HINDUSTHAN UDYOG LTD.**

**Notes to Consolidated Financial Statement As At 31.03.2023**

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

### **XVIII) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised if

- i) the business has present legal or constructive obligation as a result of a past event;
- ii) it is probable that an outflow of resources will be required to settle the obligation; and
- iii) the amount of obligation has been reliably estimated

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of time value of money is material, provisions are discounted to reflect its current value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

#### **Warranty provisions**

Provisions for warranty-related costs are recognised on the basis of product sold or service provided to the customer. Initial recognition is based on historical experience and management's decision based on technical advice. The initial estimate of warranty-related costs is revised annually.

#### **Onerous contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An **onerous contract** is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

#### **Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

#### **Contingent Assets**

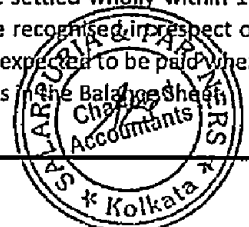
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

### **XIX) Employees Benefit Expenses**

#### **a) Short Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.



**b) Long Term Employee Benefit Obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service. They are, therefore, measured at the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in the actuarial assumptions are recognised in the Statement of Profit and Loss.

Under Ind AS, re-measurements of defined benefit plan are recognised in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred as at the date of transition to Ind AS.

**XX) Dividend**

Provision is made for the amount of any final dividend declared, being appropriately authorised in the Annual General Meeting and no longer at the discretion of the Company.

Interim Dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**XXI) Earnings Per Share**

Earnings Per Share is calculated by dividing the net profit or loss of the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings Per Share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**XXII) Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

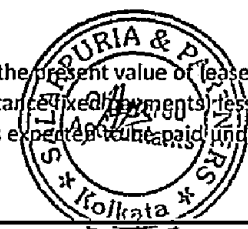
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

**Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.



In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**XXIII) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

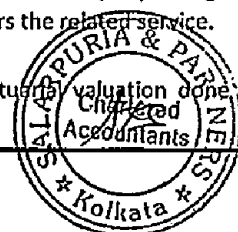
Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

**XXIV) Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity liability is funded defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each reporting period.



## **HINDUSTHAN UDYOG LTD**

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Current and non-current classification is based on the actuarial valuation report.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

### **XXVI) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

The analysis of geographical segments is based on the areas in which customers of the Company are located.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.
- iii) Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.
- iv) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income/ (expenditure)(net)".
- v) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.
- vi) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure)(net)".
- vii) Segment results have not been adjusted for the exceptional item attributable to the corresponding segment. The said exceptional item has been included in "unallocable corporate income/(expenditure)(net)". The corresponding segment assets have been carried under the respective segments without adjusting the exceptional item.
- viii) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.
- ix) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.
- x) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options

### **XXVII) Business combination**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

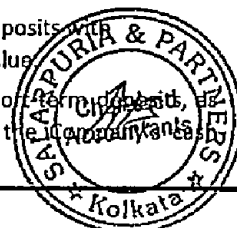
Any business combinations involving entities or businesses under common control are accounted for using the pooling of interest method:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

### **XXVIII) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



**HINDUSTHAN UDYOG LTD**

Notes to Consolidated Financial Statement As At 31.03.2023

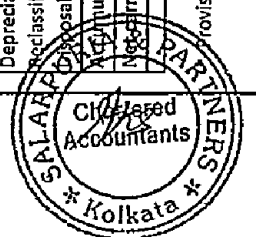
**NOTE 2(A) : PROPERTY, PLANT & EQUIPMENT**

Particulars	PROPERTY, PLANT & EQUIPMENT										Total	
	Freehold Land	Lease Hold Land	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings	Rs. In Lacs			
<b>Gross block</b>												
Gross Carrying Amount As At 1st April, 2022	205.15	166.84	936.23	508.16	1.69	59.94	39.82	62.57				1,980.40
Additions during the year	4,028.00	-	212.00	451.88	-	-	-	6.55				4,698.43
Reclassification made during the year	-	-	-	-	-	-	-	-				-
Disposals/deductions during the year	(0.00)	(166.45)	(469.91)	(854.86)	-	(57.00)	(0.00)	(34.18)				(1,582.41)
Gross carrying amount as at 31st March, 2023	4,233.15	0.39	678.32	105.18	1.69	2.94	39.82	34.94				5,096.42
<b>Depreciation /Amortisation</b>												
Accumulated depreciation/amortisation as at 1st April, 2022	-	8.77	180.33	456.12	1.57	33.85	28.83	38.44				747.91
Depreciation/ amortisation for the year	-	1.46	32.52	92.07	0.06	2.76	3.69	5.72				98.27
Reclassification made during the year	-	-	-	-	-	-	-	-				-
Disposals/deductions during the year	-	(10.23)	1.99	(428.09)	(0.00)	(34.03)	(0.20)	(25.84)				(496.40)
Accumulated depreciation as at 31st March, 2023	-	-	214.83	80.10	1.63	2.58	32.32	18.32				349.79
Net carrying amount as at 31st March, 2023	4,233.15	0.39	463.49	25.08	0.06	0.36	7.50	16.62				4,746.63

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 were as follows:

Particulars	PROPERTY, PLANT & EQUIPMENT										Total	
	Freehold Land	Lease Hold Land	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings	Rs. In Lacs			
<b>Gross block</b>												
Gross Carrying Amount As At 1st April, 2021	205.15	166.84	936.23	506.93	1.51	37.67	39.82	59.90				1,954.05
Additions during the year	-	-	-	1.23	0.18	22.27	-	2.67				26.35
Reclassification made during the year	-	-	-	-	-	-	-	-				-
Disposals/deductions during the year	-	-	-	-	-	-	-	-				-
Gross carrying amount as at 31st March, 2022	205.15	166.84	936.23	508.16	1.69	59.94	39.82	62.57				1,980.40
<b>Depreciation /Amortisation</b>												
Opening accumulated depreciation/amortisation as at 1st April,	-	7.31	148.05	415.67	1.47	30.86	23.06	33.99				660.39
Depreciation/ amortisation for the year	-	1.46	32.28	40.45	0.11	2.99	5.77	4.45				87.52
Reclassification made during the year	-	-	-	-	-	-	-	-				-
Disposals/deductions during the year	-	-	-	-	-	-	-	-				-
Accumulated depreciation as at 31st March, 2022	-	8.77	180.33	456.12	1.57	33.85	28.83	38.44				747.91
Net carrying amount as at 31st March, 2022	205.15	158.08	755.90	52.04	0.12	26.09	10.99	24.13				1,232.49

Provision for amortisation of long term Leasehold land at Durgapur has not been made.





**HINDUSTHAN UDYOG LTD**

Notes to Consolidated Financial Statement As At 31.03.2023

**NOTE 2(B): CAPITAL WORK IN PROGRESS**

Rs in Lacs

PARTICULARS	As At 31.03.2023 ₹
Gross Carrying Amount As At 1st April, 2022	77.43
Additions during the year	0.29
Disposals/deductions during the year	-
Gross carrying amount as at 31st March, 2023	<u>77.72</u>

PARTICULARS	As At 31.03.2022 ₹
Gross Carrying Amount As At 1st April, 2021	77.05
Additions during the year	0.38
Disposals/deductions during the year	-
Gross carrying amount as at 31st March, 2022	<u>77.43</u>



**HINDUSTHAN UDYOG LTD**

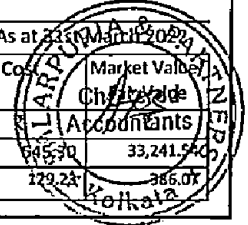
Notes to Consolidated Financial Statement As At 31.03.2023

Rs In Lacs

Note : 3 FINANCIAL ASSETS	Face Value	No. of Shares	As At 31.03.2023	
			As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>(A) INVESTMENTS</b>				
<b>(a) Measured at fair value through Other Comprehensive Income</b>				
<b>(i) Investment in Equity Instrument (Quoted)</b>				
1) Phosphate Co. Limited	10	26,400	44.22	26,400
2) Indorama Synthetics Limited	10	300	0.12	300
3) India Foils Limited	10	400	0.03	400
4) Blue Coast Hotels Limited	10	9,70,000	36.86	9,70,000
5) Reliance Industries Limited	10	1,408	32.82	1,408
6) Mcleod Russel (India) Limited	10	150	0.03	150
7) JK Synthetics Limited	10	905	0.55	905
8) LML Limited	10	5,100	5.20	5,100
9) Via Media India Limited	10	1,750	0.18	1,750
<b>Total (i)</b>			<b>120.00</b>	<b>137.68</b>
<b>(ii) Investment in Equity Instrument (Unquoted)</b>				
1) Tamilnadu Alkaline Batteries Limited	1	8,00,000	8.03	8,00,000
2) Macneill Electricals Limited	100	918	3.75	918
3) Neptune Impex Pvt. Limited	100	200	0.30	200
<b>Total (ii)</b>			<b>12.08</b>	<b>12.08</b>
<b>Total (a)</b>			<b>132.08</b>	<b>149.76</b>
<b>(b) Measured at Cost</b>				
<b>(i) Associate</b>				
1) WPIL Limited (39.54%)	10	38,61,659		38,61,659
Carrying Value of the Group's Interest in Associate			24,089.36	20,451.11
Add: Current Year Profit/(Loss)			7,177.61	4,024.42
Less : Dividend			(386.17)	(386.17)
<b>TOTAL</b>			<b>30,880.80</b>	<b>24,089.36</b>
2) Spaans Babcock India Limited (45%)	10	45,000		45,000
Carrying Value of the Group's Interest in Associate			59.39	53.82
Add: Current Year Profit/(Loss)			(35.16)	5.58
<b>Total</b>			<b>24.23</b>	<b>59.39</b>
3) Asutosh Enterprises Limited (36.12%)	10	8,09,450		8,09,450
Carrying Value of the Group's Interest in Associate			173.04	123.65
Add: Current Year Profit/(Loss)			40.14	49.39
<b>Total</b>			<b>213.18</b>	<b>173.04</b>
4) Bengal Steel Industries Limited (38.13%)	10	18,68,151		18,62,901
Carrying Value of the Group's Interest in Associate			81.58	72.09
Add: Current Year Profit/(Loss)			7.10	4.23
<b>Total</b>			<b>88.68</b>	<b>76.32</b>
5) Hindusthan Parsons Limited (41.55%)	10	32,45,000		32,45,000
Carrying Value of the Group's Interest in Associate			94.37	97.77
Add: Current Year Profit/(Loss)			(2.80)	(3.40)
<b>Total</b>			<b>91.57</b>	<b>94.37</b>
6) H. S. M. International Private Limited (30.25%)	10	3,02,500		3,02,500
Carrying Value of the Group's Interest in Associate			7.31	8.10
Add: Current Year Profit/(Loss)			(0.04)	(0.79)
<b>Total</b>			<b>7.27</b>	<b>7.31</b>
<b>(ii) Investment in Debentures</b>				
Via Media India Limited	10	175	0.07	175
<b>(iii) Investment in Govt. Securities (NSC)</b>			0.15	0.15
<b>Total(b)</b>			<b>31,305.95</b>	<b>24,500.01</b>
<b>(c) Measured at fair value through Profit and Loss</b>				
<b>(i) Investment in Preference Shares</b>				
V N Enterprises Limited	100	7,00,000	631.71	7,00,000
<b>(ii) Investment in Mutual Fund</b>				
Birla Capital Mutual Fund			-	68,051.91
<b>Total (c)</b>			<b>631.71</b>	<b>872.15</b>
<b>Total (a + b+c)</b>			<b>32,069.78</b>	<b>25,521.87</b>

290000 Unencumbered fully paid up equity shares of WPIL Limited held by the company has exclusively been pledged against loan taken from Axis Finance Limited.

	As at 31st March 2023		As at 31st March 2022	
	Cost	Market Value/ Fair Value	Cost	Market Value/ Fair Value
Aggregate value of Quoted Investments	550.56	93,711.02	445.30	33,241.54
Aggregate value of Unquoted Investments	129.23	395.31	129.23	386.07



**HINDUSTHAN UDYOG LTD**

Notes to Consolidated Financial Statement As At 31.03.2023

Rs In Lacs

(B) TRADE RECEIVABLES	As At	As At
	31.03.2023	31.03.2022
	₹	₹
Unsecured, considered good, unless stated otherwise	50.11	50.11
Trade Receivables Considered Good - unsecured	50.11	50.11
Trade Receivables which have significant increase in credit risk		
Less :Allowances for bad and doubtful debts	-	-
<b>Total</b>	<b>50.11</b>	<b>50.11</b>

Ageing of Trade receivables - Non- current outstanding as at 31 March, 2023 is as follows :

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed trade receivables - considered good	-	-	-	-	50.11	50.11
- Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-
- Disputed trade receivables - considered good	-	-	-	-	-	-
- Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
- Disputed trade receivables - credit impaired	-	-	-	-	-	-
Less :Allowances for bad and doubtful debts	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>50.11</b>	<b>50.11</b>

Ageing of Trade receivables - Non- current outstanding as at 31 March, 2022 is as follows :

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed trade receivables - considered good	-	-	-	-	50.11	50.11
- Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-
- Disputed trade receivables - considered good	-	-	-	-	-	-
- Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
- Disputed trade receivables - credit impaired	-	-	-	-	-	-
Less :Allowances for bad and doubtful debts	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>50.11</b>	<b>50.11</b>

(C) OTHER NON CURRENT FINANCIAL ASSETS	As At	As At
	31.03.2023	31.03.2022
	₹	₹
Prepaid Expenses	-	0.28
Security Deposits	0.57	0.42
Other Advances	0.05	3.26
Bank Deposits with Maturity more than 12 months*	43.65	19.05
<b>Total Non Current Other Non Financial Assets</b>	<b>44.27</b>	<b>23.05</b>

\* Kept as margin money against Bank guarantees Rs. 24.58 Lacs (P Y. Rs. 13.81 Lacs).



**HINDUSTHAN UDYOG LTD.**

Notes to Consolidated Financial Statement As At 31.03.2023

Rs in Lacs

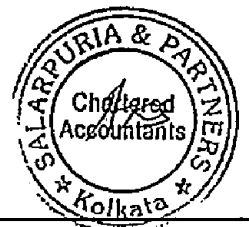
NOTE: 3(d) TRADE RECEIVABLES - CURRENT	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<i>At Amortised Cost</i>		
Unsecured, considered good, unless stated otherwise	401.69	383.74
Trade Receivables Considered Good - unsecured	401.69	383.74
Trade Receivables which have significant increase in credit risk		44.46
Less :Allowances for bad and doubtful debts	44.46	44.46
<b>Total</b>	<b>357.23</b>	<b>383.74</b>

Ageing of Trade receivables - current outstanding as at 31 March, 2023 is as follows :

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- Undisputed trade receivables - considered good	136.36	0.54	0.77	-	219.55	357.23
- Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	44.46	44.46
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-
- Disputed trade receivables - considered good	-	-	-	-	-	-
- Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
- Disputed trade receivables - credit impaired	-	-	-	-	-	-
Less :Allowances for bad and doubtful debts	-	-	-	-	44.46	44.46
<b>Total</b>	<b>136.36</b>	<b>0.54</b>	<b>0.77</b>	<b>-</b>	<b>219.55</b>	<b>357.23</b>

Ageing of Trade receivables - current outstanding as at 31 March, 2022 is as follows :

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- Undisputed trade receivables - considered good	164.33	-	-	-	219.42	383.74
- Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	44.46	44.46
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-
- Disputed trade receivables - considered good	-	-	-	-	-	-
- Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
- Disputed trade receivables - credit impaired	-	-	-	-	-	-
Less :Allowances for bad and doubtful debts	-	-	-	-	44.46	44.46
<b>Total</b>	<b>164.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219.42</b>	<b>383.74</b>



**HINDUSTHAN UDYOG LTD**

Notes to Consolidated Financial Statement As At 31.03.2023

Rs in Lacs

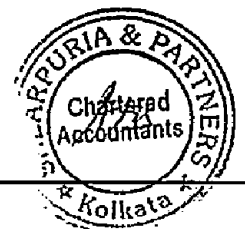
Note : 4 DEFERRED TAX (NET)	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Deferred Tax Asset / (Liability)	(14.30)	(17.43)
<b>Total</b>	<b>(14.30)</b>	<b>(17.43)</b>

A Movement In deferred Tax balances	As at 31.03. 2022	Recognized In Profit & Loss	Recognized In OCI	As at 31.03. 2023
Deferred Tax Liability	17.43			
Other Timing Differences			(3.14)	
Net Deferred Tax Liability				14.30

B Reconciliation of Income Tax Expenses		For The Year Ended 31.03.2023 (₹)	For The Year Ended 31.03.2022 (₹)
Accounting Profit	3,424.08	3,424.08	41.23
less: profit relating to capital gain disclosed separately	3,402.88		
	21.20		
Tax @ 25.168%	5.34		
Tax effect of expenses that are not deductible in determining taxable profit(157.56@25%)	39.65		
Tax effect of expenses that are deductible in determining taxable profit(108.16@25%)	27.22		
Brought Forward losses (70.59@25.168%)	17.77		
		0.00	
Tax effect of income on which different tax rates are used for determining Taxable Profit			
Long term Capital Gain (2449.08@23.92%)	585.82		
Less :Brought Forward Capital losses (70.66@ 23.92%)	16.90		
		568.92	
Short term Capital Gain (243.99@35.88%)		87.55	
On sale of mutual Fund (1.28@10.4%)		0.13	
Income Tax Expense reported in Statement of Profit and Loss for the current year		656.60	-

Note : 5 OTHER NON CURRENT ASSETS	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Balance with Government Authorities	-	2.31
Advances - Non Current	-	1.27
Mat Credit Entitlement	11.47	11.47
Security Deposits	12.02	83.64
Other Non-Current Asset	5.00	15.64
<b>Total</b>	<b>28.49</b>	<b>114.32</b>

Note : 6 INVENTORIES	As At 31.03.2023 ₹	As At 31.03.2022 ₹
(Valued at lower of cost and net realisable value, unless otherwise stated)		
Raw Material	20.47	147.63
Work In Progress	-	463.55
Finished Goods	-	-
Tools & Implements	9.18	187.86
<b>Total</b>	<b>29.65</b>	<b>799.04</b>



**HINDUSTHAN UDYOG LTD**

Notes to Consolidated Financial Statement As At 31.03.2023

Rs in Lacs

<b>Note : 7(A) CASH AND CASH EQUIVALENT</b>	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Balances with Bank		
- In Current Account	846.70	46.99
- Bank Book Overdraft	-	-
Cash on Hand	24.61	23.10
Bank Deposits with Maturity less than 3 months	-	-
<b>Total</b>	<b>871.31</b>	<b>70.09</b>
* The balance of Rs. 6.75 Lacs is subject to confirmation.		

<b>Note : 7(B) OTHER BANK BALANCES</b>	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Deposits with original maturity of more than 3 months and within 12 months*	14.75	30.54
<b>Total</b>	<b>14.75</b>	<b>30.54</b>

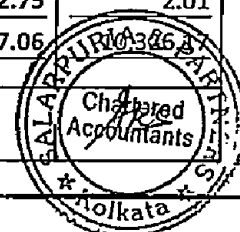
\* Kept as margin money against Bank guarantees Rs. 12.54 Lacs (P Y. Rs.18.29 Lacs).

<b>Note : 7(c) OTHER CURRENT FINANCIAL ASSETS</b>	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Accrued Interest	0.14	0.14
Other Advances	3.58	-
Prepaid processing fees	19.50	-
Interest Accrued on Fixed Deposit with Bank	6.13	2.67
<b>Total</b>	<b>29.35</b>	<b>2.81</b>

<b>Note : 8 CURRENT TAX ASSET (NET)</b>	As At 31.03.2023 ₹	As At 31.03.2022 ₹
Advance payment of Income Tax (Net)	67.40	651.67
Advance Sales Tax	-	2.57
<b>Total</b>	<b>67.40</b>	<b>654.24</b>

<b>Note : 9 OTHER CURRENT ASSETS</b>	As At 31.03.2023 ₹	As At 31.03.2022 ₹
TDS Receivable	38.63	-
Advances to Staff (Unsecured- Considered Good)	2.65	4.39
Advances to Others*	8,894.89	10,279.88
GST Receivable	7.99	27.07
Security Deposit	0.15	12.82
Prepaid Expenses	2.75	2.01
* Includes Advance to supplier		
<b>Total</b>	<b>8,947.06</b>	<b>10,326.17</b>

\*Advance given to V N Enterprises Limited (a related party) of Rs. 7897.10 Lac (PY: -9532.00 Lac)  
 Advance given to Macneill Electricals Limited (a related party) of Rs. 305.50 Lac (PY: - 305.50 Lacs)



**HINDUSTHAN UDYOG LTD****Notes to Consolidated Financial Statement As At 31.03.2023**

Rs in Lacs

Note : 10 (A) STATEMENT OF CHANGES IN EQUITY	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>(A) I Equity Share Capital</b>		
<b>Authorised Shares</b>		
5,89,50,000 Equity Shares of ₹ 10/- each	5,895.00	5,895.00
60,00,000 10% Cumulative Redeemable Preference shares of ₹ 10/- each	600.00	600.00
	<u>6,495.00</u>	<u>6,495.00</u>
<b>Issued, Subscribed &amp; Paid-Up Shares</b>		
61,94,996 Equity Shares of ₹ 10/- each, fully paid	619.50	619.50
<b>Total</b>	<u>619.50</u>	<u>619.50</u>

**a. Reconciliation of shares outstanding at the beginning & at the end of the reporting period**

Equity Shares	Nos.	As At 31.03.2023 ₹	Nos.	As At 31.03.2022 ₹
At the beginning of the period	61,94,996	619.50	71,76,725	717.67
Issued during the period			7,50,121	75.01
Cancelled during the period			(17,31,850)	(173.19)
Outstanding at the end of the period	<u>61,94,996</u>	<u>619.50</u>	<u>61,94,996</u>	<u>619.50</u>

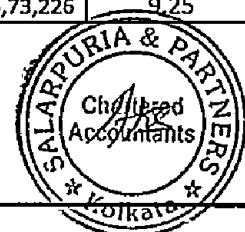
**b. Terms/Rights attached to Equity Shares**

The Company has one Class of Shares issued, Equity Shares having a par value of ₹ 10/- each. Each Equity Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

c. The Company does not have any Holding Company, ultimate Holding Company .

**d. Details of Shareholders holding more than 5% of Shares in the Company**

Particulars	Nos.	As at 31.03.2023 % Holding In the Class	Nos.	As at 31.03.2022 % Holding in the Class
<b>Equity Shares of ₹ 10/- Each</b>				
1. V.N. Enterprises Limited	17,48,785	28.23	17,48,785	28.23
2. Poonam Jhaver	10,52,333	16.99	10,52,333	16.99
3. Bengal Steel Industries Limited	6,78,238	10.95	6,78,238	10.95
4. Asutosh Enterprises Limited	5,45,775	8.81	5,45,775	8.81
5. Prakash Agarwal	8,60,537	13.89	5,73,226	9.25



**HINDUSTHAN UDYOG LTD****Notes to Consolidated Financial Statement As At 31.03.2023**

Shareholding of Promoters	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>e. V.N. Enterprises Limited</b>		
- No. of shares	17,48,785	17,48,785
- % of holding	28.23	28.23
- % change during the year *	-	5.37
<b>Bengal Steel Industries Limited</b>		
- No. of shares	6,78,238	6,78,238
- % of holding	10.95	10.95
- % change during the year *	-	13.30
<b>Ashutosh Enterprises Limited</b>		
- No. of shares	5,45,775	5,45,775
- % of holding	8.81	8.81
- % change during the year *	-	19.30
<b>HSM International Private Limited</b>		
- No. of shares	1,45,558	1,45,558
- % of holding	2.35	2.35
- % change during the year *	-	34.15
<b>HSM Investments Limited</b>		
- No. of shares	1,40,279	1,40,279
- % of holding	2.26	2.26
- % change during the year *	-	21.35
<b>Macneill Electricals Limited</b>		
- No. of shares	12,777	12,777
- % of holding	0.21	0.21
- % change during the year *	NIL	NIL
<b>Revox Enterprises Private Limited</b>		
- No. of shares	107	107
- % of holding	-	-
- % change during the year *	NIL	NIL
<b>Prakash Agarwal</b>		
- No. of shares	8,60,537	5,73,226
- % of holding	13.89	9.25
- % change during the year *	50.12	11.05
<b>Premlata Agarwal</b>		
- No. of shares	-	2,28,750
- % of holding	-	3.69
- % change during the year *	(100.00)	27.35
<b>Vishwanath Agarwal</b>		
- No. of shares	-	58,561
- % of holding	-	0.95
- % change during the year *	(100.00)	371.89

\* % change during the year has been computed on the basis of shares held at the beginning of the year.

f. No Shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment including the terms and amounts.

g. For the period of five years immediately preceding the date as at the Balance Sheet is prepared:

No Shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash.

No Shares have been allotted as fully paid up by way of Bonus Shares.

No Shares has been bought back by the Company.





**HINDUSTHAN UDYOG LTD.**

Notes to Consolidated Financial Statement As At 31.03.2023

**Note : 10 (B) OTHER EQUITY**

(1) Current Reporting Period

Rs in Lacs

Particulars	Reserve and Surplus									
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Revaluation Surplus	Special Capital Incentive	RBI Reserve Fund	Other Comprehensive Income	Total
Balance at the beginning current reporting period	4,565.31	138.41	25,111.60	1,722.02	-	48.45	30.00	461.79	411.31	32,488.87
Changes in accounting policy or prior period errors										-
Restated balance at the beginning of the current reporting period										-
Total Comprehensive income for the current year			9,870.13						(303.31)	9,566.84
Dividends										-
Transfer to General Reserve										-
Transfer from Retained earnings										-
Any other change (to be specified)										-
Balance at the end of the current reporting period	4,565.31	138.41	34,981.73	1,722.02	-	48.45	30.00	461.79	108.00	42,055.71

(2) Previous Reporting Period

Particulars	Reserve and Surplus									
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Revaluation Surplus	Special Capital Incentive	RBI Reserve Fund	Other Comprehensive Income	Total
Balance at the beginning current reporting period	4,565.31	138.41	21,553.87	1,722.02	-	48.45	30.00	461.79	207.95	28,727.79
Changes in accounting policy or prior period errors										-
Restated balance at the beginning of the current reporting period										-
Total Comprehensive income for the current year			3,557.73						203.35	3,761.08
Dividends										-
Transfer to General Reserve										-
Transfer from Retained earnings										-
Any other change (to be specified)										-
Balance at the end of the current reporting period	4,565.31	138.41	25,111.60	1,722.02	-	48.45	30.00	461.79	411.31	32,488.87

**Nature and Purpose of Reserve**
**a) Securities Premium**

Premium received on issue of equity shares. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**b) Revaluation Surplus**

Revaluation Reserve arises on account of revaluation of Land.

**c) General reserve**

This reserve is a part of Retained Earning, and is available for distribution to the shareholders as free reserve.

**d) Special Capital Incentive**

Special Capital arises on account of Business Combination.

**e) Capital Reserve**

Reserve created on reissue of forfeited shares. This can be utilised in accordance with the provisions of the Companies Act, 2013.

**f) Retained Earnings**

Retained Earnings are profits that the company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders. It also includes Revaluation reserve transferred on the

**g) FVTOCI Reserve**

The Company has elected to recognise changes in the fair value of investments in equity instruments along with remeasurement of Defined Benefit plans through other comprehensive income. This changes are accumulated within the FVTOCI Reserve.

**h) RBI Reserve Fund**

RBI Reserve Fund arises on account of Business Combination.



**HINDUSTHAN UDYOG LTD.***Notes to the Consolidated Financial Statement for the Year Ended 31.03.2023**Rs in Lacs*

<b>NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(A) BORROWINGS</b>		
Unsecured		
Preference Shares	514.64	472.14
Deferred Sales Tax Loan	1.17	1.17
Term Loan *		
From banks	2,838.32	-
Less: Current Maturities of Long Term Borrowings (Refer Note 13(A))	(148.95)	-
	<u>2,689.37</u>	<u>-</u>
<b>Total</b>	<u>3,205.17</u>	<u>473.31</u>

\* Term Loan taken from Axis Finance Limited includes Dropline Overdraft facility .

**Security**

The Term Loan from Axis Finance Limited is secured against the following:

1. Exclusive charge on residential property at Dover Park, Kolkata
2. First and exclusive charge on dividend receivables including futures dividend receivables from WPIL Limited to borrower company and Asutosh Enterprises Limited.
3. First and exclusive charge on Rent receivables including futures rent receivables from WPIL Limited to borrower Company.
4. Exclusive charge has been created on 290000 unencumbered fully paid up equity shares of WPIL Limited held by the company.

**Terms of Repayment of Term Loan from Bank**

Term Loan: To be paid in 40 equal quarterly installments in 10 years.

DOD: Repayable in equal quarterly instalment

Interest Rate: 9.70% p.a.

**Guarantee**

Asutosh Enterprises Limited has given Corporate Guarantee for the Loan taken from Axis Finance Limited.

Prakash Agarwal (Director) has given Personal Guarantee for the Loan taken from Axis Finance Limited.



**HINDUSTHAN UDYOG LTD**

Notes to the Consolidated Financial Statement for the Year Ended 31.03.2023

Rs in Lacs

NOTE: 11(B) TRADE PAYABLES - CURRENT	As At	As At
	31.03.2023	31.03.2022
	₹	₹
At Amortised Cost		
<b>Trade Payables</b>		
• total outstanding dues of Micro and small enterprises	10.23	5.32
• total outstanding dues of creditors other than Micro and small enterprises*	181.73	297.29
<b>Total</b>	<b>191.96</b>	<b>302.61</b>

Particulars	As At	As At
	31.03.2023	31.03.2022
	₹	₹
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount due	8.87	4.82
- Interest due on above	1.36	0.50
<b>Total</b>	<b>10.23</b>	<b>5.32</b>
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of Interest accrued and remaining unpaid at the end of accounting year	1.36	0.50
The amount of further Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

Ageing of Trade payables - current outstanding as at 31 March, 2023 is as follows :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME *	6.05	4.18	-	-	10.23
- Other creditors	114.98	13.43	6.93	46.39	181.73
- Disputed dues - MSME *	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>121.02</b>	<b>17.61</b>	<b>6.93</b>	<b>46.39</b>	<b>191.96</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Ageing of Trade payables - current outstanding as at 31 March, 2022 is as follows :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME *	4.18	1.14	-	-	5.32
- Other creditors	164.89	54.49	4.02	73.89	297.29
- Disputed dues - MSME *	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>169.06</b>	<b>55.63</b>	<b>4.02</b>	<b>73.89</b>	<b>302.61</b>



**HINDUSTHAN UDYOG LTD****Notes to Consolidated Financial Statement As At 31.03.2023***Rs in Lacs*

<b>NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(C) OTHER FINANCIAL LIABILITIES</b>		
Deferred Liability of Preference Shares	34.28	79.84
EMD Recievables	0.89	0.89
Other liabilities	20.12	16.92
<b>Total</b>	<b>55.29</b>	<b>97.65</b>

<b>Note : 12 LONG TERM PROVISIONS</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Contingent Provision against Standard Assets	3.17	3.17
Provision for Employee Benefits		
– Provision for Gratuity	6.79	205.73
– Provison for Leave Encashment	0.80	24.38
<b>Total</b>	<b>10.75</b>	<b>233.28</b>



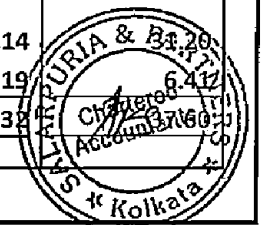
**HINDUSTHAN UDYOG LTD****Notes to Consolidated Financial Statement As At 31.03.2023***Rs in Lacs*

<b>NOTE 13 : FINANCIAL LIABILITIES (CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(A) BORROWINGS</b>		
Current maturities of long-term borrowings (Refer Note 11A)	148.95	-
<b>Total</b>	<b>148.95</b>	<b>-</b>

<b>NOTE 13 : FINANCIAL LIABILITIES (CURRENT)</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
<b>(B) OTHER FINANCIAL LIABILITIES</b>		
Deferred Liability of Preference Shares	45.56	45.56
Bank Book Overdraft	31.94	114.73
Other Payables	2.75	2.75
Payable to Employees	68.98	55.52
<b>Total</b>	<b>149.23</b>	<b>218.55</b>

<b>Note : 14 OTHER CURRENT LIABILITIES</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Other Payables	67.36	0.23
Advance from Customers*	32.78	145.02
Deposits From Contractors	4.99	4.99
Statutory Dues Payable		
– Provident Fund	5.72	5.49
– Employee State Insurance Fund & Labour Welfare Fund	0.74	1.55
* C. G. S. T. Payable	87.23	-
* S. G. S. T. Payable	87.07	-
* I. G. S. T. Payable	85.18	-
– Tax Deducted At Source	58.61	1.23
– Professional Tax	2.86	0.56
Advance From Others	418.02	4,618.02
<b>Total</b>	<b>850.56</b>	<b>4,777.08</b>
<b>* Includes from WPIL Limited (Associate) 29.28 lacs( Previous Year:-4275.10 lacs )</b>		

<b>Note : 15 SHORT TERM PROVISIONS</b>	<b>As At 31.03.2023 ₹</b>	<b>As At 31.03.2022 ₹</b>
Provision for Employee Benefits		
– Provision for Gratuity	10.14	
– Provision for Leave Encashment	2.19	
<b>Total</b>	<b>12.32</b>	



**HINDUSTHAN UDYOG LTD**

Notes to the Consolidated Financial Statement for the Year Ended 31.03.2023

Rs in Lacs

<b>Note : 16 REVENUE FROM OPERATIONS</b>	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
A) Revenue from Sale of Products	-	-
Sub Total (A)	-	-
B) Other Operating Revenues		
Sub Total (B)	-	-
<b>Total (A + B)</b>	-	-

<b>Note : 17 OTHER INCOME</b>	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
(a) <u>Interest Income</u>		
- Of Preference Share amortised through FVTPL	62.60	56.40
(b) <u>Dividend Income</u>		
- Dividends from quoted equity investments measured at fair value through OCI*	-	-
-Dividend from Quoted Equity Shares	0.11	-
- Dividends from Associate Company		-
(c) <u>Other Non Operating Income</u>		
- Income From Fixed Deposit	3.42	9.51
- Rent	278.09	256.24
- profit/loss on sale of mutual fund	1.28	
- Liabilities Written Back	22.75	-
- Misc. Receipts	70.92	0.28
(d) <u>Other Gains &amp; Losses</u>		
- Mutual Fund measured at FVTPL	-	12.57
<b>Total</b>	<b>439.16</b>	<b>335.00</b>



**HINDUSTHAN UDYOG LTD****Notes to the Consolidated Financial Statement for the Year Ended 31.03.2023***Rs In Lacs*

<b>Note : 18 COST OF MATERIALS CONSUMED &amp; OTHER MANUFACTURING EXPENSES</b>	<b>For the Year Ended 31.03.2023</b> ₹	<b>For the Year Ended 31.03.2022</b> ₹
Raw Material Consumed	0.00	-
Stores Consumed	3.06	4.08
Power & Fuel	0.00	-
<b>Total</b>	<b>3.06</b>	<b>4.08</b>

<b>Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SALEABLE SCRAP</b>	<b>For the Year Ended 31.03.2023</b> ₹	<b>For the Year Ended 31.03.2022</b> ₹
Stock at the Beginning of the Year		
Finished Goods	-	-
Work-in-Progress	(0.00)	-
Saleable Scrap	-	-
<b>Total</b>	<b>(0.00)</b>	<b>-</b>
Stock at the End of the year		
Finished Goods	-	-
Work-in-Progress	0.00	-
Saleable Scrap	-	-
	<b>0.00</b>	<b>-</b>
<b>Changes in Inventories of Finished Goods, Work In Progress and Saleable Scrap</b>	<b>(0.00)</b>	<b>-</b>

<b>Note : 20 EMPLOYEE BENEFIT EXPENSES</b>	<b>For the Year Ended 31.03.2023</b> ₹	<b>For the Year Ended 31.03.2022</b> ₹
Salary, Wages, Bonus & Allowances *	104.36	97.89
Contribution to Provident Fund, Gratuity, ESI & Other Fund	6.08	6.11
Staff Welfare Expenses	2.47	4.46
<b>Total</b>	<b>112.91</b>	<b>108.46</b>

\* Includes Director's Remuneration of ₹ 30 lacs (P.Y. - ₹ 30 lacs)



**HINDUSTHAN UDYOG LTD***Notes to the Consolidated Financial Statement for the Year Ended 31.03.2023*

	<i>Rs in Lacs</i>	
	<i>For the Year Ended 31.03.2023 ₹</i>	<i>For the Year Ended 31.03.2022 ₹</i>
<b>Note : 21 FINANCE COSTS</b>		
Interest		
– on borrowings from banks	86.87	-
Other Borrowing Costs	-	-
– processing fees	0.50	-
<b>Total</b>	<b>87.37</b>	<b>-</b>

*Rs in Lacs*

	<i>For the Year Ended 31.03.2023 ₹</i>	<i>For the Year Ended 31.03.2022 ₹</i>
	<b>Note : 22 DEPRECIATION &amp; AMORTISATION EXPENSE</b>	
Depreciation on Property, Plant & Equipment	24.80	26.42
<b>Total</b>	<b>24.80</b>	<b>26.42</b>



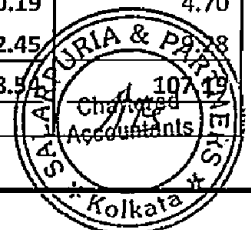


**HINDUSTHAN UDYOG LTD**

Notes to the Consolidated Financial Statement for the Year Ended 31.03.2023

Rs in Lacs

<i>Note : 23 OTHER EXPENSES</i>	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
<i>Selling &amp; Distribution Expenses</i>		
Advertisement & Sales Promotion	0.37	1.41
Rates & Taxes	7.46	5.23
<i>Repairs &amp; Maintenance</i>	-	-
Repairs to Plant & Machinery	0.20	-
Repairs to Factory Building	3.60	0.20
Repairs to Others Assets	1.82	1.53
<i>Travelling Expenses</i>		
Inland Travelling	2.59	0.13
Foreign Travelling	-	-
<i>Auditors' Remuneration</i>		
- Audit Fees	2.75	3.38
- Tax Audit Fees	0.25	0.25
- Certification/Limited Review Fees	1.80	4.40
Legal & Professional	0.36	-
Director Meeting Fees	0.39	1.40
Service Charges	31.80	48.50
Liquidated Damages	0.00	-
Electricity Charges	-	0.35
Factory Electric Charges	0.18	0.72
Rent	6.00	-
Factory Godown Rent	3.16	3.17
Bank Charges	0.87	0.42
Conveyance Charges	0.54	2.91
Vehicle Maintenance	2.27	1.16
Service Tax Input Written Off	-	-
Sundry Balances Written Off	25.43	0.86
Printing & Stationery	0.31	0.35
Postage, Telegram & Telephone	0.17	0.35
Insurance	0.29	0.52
Listing Fees	3.30	14.27
Loss on Foreign Exchange Fluctuation	-	-
Investment written off	-	1.70
Donation & Subscription	0.19	4.70
Miscellaneous Expenses	2.45	
<b>Total</b>	<b>98.54</b>	<b>107.19</b>



**HINDUSTHAN UDYOG LTD**

Notes to Consolidated Financial Statement As At 31.03.2023

Rs in Lacs

<b>Note : 24 EXCEPTIONAL ITEM</b>	For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
A) Profit from sale of Property plant and Equipment of Nagpur Unit (Refer Note 25(b))	3,402.88	-
B) Tax Expense ( Current Tax )	656.47	-
<b>Total (A -B)</b>	<b>2,746.41</b>	<b>-</b>

<b>Note: 25(a) NET PROFIT/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATION (NAGPUR UNIT)</b>		For the Year Ended 31.03.2023 ₹	For the Year Ended 31.03.2022 ₹
I.	Revenue from Operations	1179.29	769.74
II.	Other Income	113.62	78.91
	<b>III. Total Income (I +II)</b>	<b>1292.91</b>	<b>848.65</b>
IV.	Expenses:		
	Cost of Materials Consumed	891.74	675.85
	Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	-41.27	-90.28
	Employee Benefit Expenses	471.64	403.24
	Finance Costs	43.85	48.36
	Depreciation and Amortization Expense	73.47	61.10
	Other Expenses	330.94	184.15
	<b>IV. Total Expenses</b>	<b>1770.37</b>	<b>1282.41</b>
V.	Net Profit/(Loss) before tax from discontinued operation(III-IV) (Refer Note 25(b))	-477.46	-433.76

Note: The Company has sold/transferred the Property, Plant and Equipment and Other Assets and Liability to WPIL 25(b) Limited its associate in accordance with an agreement dated 14th July, 2017 and amended agreement dated 31st March,2023 for a consideration of Rs. 4706.67 lacs.



Note: 26 NOTES

26.1 Contingent Liabilities

- a) Letters of Guarantee outstanding as at 31.03.2023 is Rs. 37.12 Lacs (Previous Year - Rs. 32.10 lacs) against which Fixed Deposit of Rs. 39.33 Lacs kept as margin.
- b) Claim not acknowledged as debts: - Disputed demand for Sales Tax Rs. 131.32 Lacs (Previous Year - Rs. 131.32 Lacs) appealed against.
- c) VAT Case filled for the year 2007-08 of Rs 62.70 Lacs (Previous Year - Rs. 62.70 Lacs )
- d) Contingent Liabilities in respect of Income Tax matter under appeal Rs. 284.28 Lacs (Previous Year - Rs. 284.28 Lacs).

26.2 Related Party Disclosures:

i) Relationship

Key Managerial Personnel (KMP) & their Relatives

- a) Mr. V.N. Agarwal Managing Director
- b) Mr. Prakash Agarwal Director - Son of Mr. V.N. Agarwal
- c) Ms. Kiran Darulia Director
- d) Mr. Bal Krishna Mawandia Director
- e) Mr. Sanjib Kumar Roychowdhury Director
- f) Ms.Shikha Bajaj Company Secretary

HSM Investment (Director having significant influence)

V.N. Entreprise Limited (Entreprise Having Significant Influence)

Macneill Electricals Limited (MEL)(Director having significant influence)

ii) Transactions with Related Parties

	Macneill Electricals Limited	KMP
Managerial Remuneration - Mr. V.N. Agarwal		30.00 (30.00)
Remuneration paid to Company Secretary - Ms.Shikha Bajaj		15.22 (13.07)
Service Charges to Mr. V.N. Agarwal		- (9.60)
Directors Sitting Fees		0.39 (1.40)
Rent Receipts	3.12	

\*\* Figures in bracket reflect previous year balance

Prakash Agarwal (Director) is a Personal Guarantor for the Loan taken from Axis Finance Limited



**HINDUSTHAN UDYOG LTD**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs In Lacs

## Details of Advances Given and Received During the year from Related Parties

Name	Transactions	As At 31.03.2023 ₹	As At 31.03.2022 ₹
V.N. Enterprises Limited	Opening Balance receivable	9,532.00	9,680.25
	Further Given	2,565.10	1,506.00
	Advance Refunded	4,200.00	1,654.25
	Closing Balance receivable	7,897.10	9,532.00
Macneill Electricals Limited	Opening Balance receivable	305.50	305.38
	Advance Given	0.50	0.16
	Advance Refunded	0.50	0.04
	Closing Balance receivable	305.50	305.50

\* All receivables and payables are subject to confirmation.

## 26.3 Segment Reporting

The operation of the Company relates to Single Primary Business Segment (Discontinued Operation) i.e. Engineering (Steel Castings & Alloys). Accordingly, there is no primary business segment. However, information about Segment based on geographical location of the Customers i.e. Domestic & Export Sales have been provided:-

## Information about Secondary Segments - Geographical

	PARTICULARS	As At 31.03.2023 ₹	As At 31.03.2022 ₹
(i)	Revenue by Geographical Market		
	- India	1,113.07	628.25
	Less: Discontinued Operation	(1,113.07)	(628.25)
	- Outside India	66.22	141.48
	Less: Discontinued Operation	(66.22)	(141.48)
		-	-

26.4 Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2023. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2023.

26.5 (i) The company had received an advance of ₹ 4200 Lacs from WPIL Limited, its associate for acquisition of its Alloy and Stainless Steel Casting foundry unit in Nagpur. The same has been adjusted towards sale/transfer of some assets and liabilities to WPIL Limited as per Agreement dated 14th July, 2017 and amended agreement dated 31st March, 2023 for a consideration of Rs. 4706.67 Lacs. The profit on such disposal and other disposal of Property, Plant and Equipment of Rs. 2746.41 lacs (Net of Tax) shown as exceptional items and profit/ (loss) of Nagpur Unit has been shown as Profit/ (loss) from discontinuing operation as it is disposed off during the year ended 31st March, 2023. Accordingly, the comparative year figures are regrouped by the company.

(ii) The advance is Given to V N Enterprises Limited for the purchase of Block of Investment.



**26.6 FAIR VALUE MEASUREMENTS**

**(i) Financial Instruments by category**

	Particulars	As At 31.03.2023 ₹	As At 31.03.2022 ₹
<b>A.</b>	<b>Financial Assets</b>		
<b>I.</b>	<b>Measured at fair value through other comprehensive Income (FVTOCI)</b>		
	Investments	132.08	149.76
<b>II.</b>	<b>Measured at fair value through Profit and loss (FVTPL)</b>		
	Investments	631.71	872.15
<b>III.</b>	<b>Measured at amortised cost</b>		
	Investments	31,305.99	24,499.96
	Trade Receivables	407.34	433.85
	Cash & Cash Equivalents	871.31	70.09
	Bank balances other than above	14.75	30.54
	Others	73.62	25.86
<b>B.</b>	<b>Financial Liabilities</b>		
<b>I.</b>	<b>Measured at amortised cost</b>		
	Borrowings	3,354.12	473.31
	Trade Payables	191.96	302.61
	Other Financial Liabilities	204.52	316.20

(ii) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which the fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the entity has classified its financial instruments into 3 levels prescribed under the accounting standard.

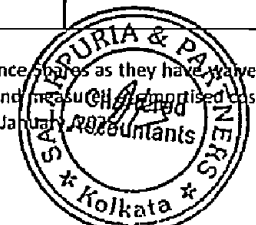
Level 1: Level 1 hierarchy includes financial instruments measure quoted prices

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	Carrying Value	Level 1	Level 2	Level 3
<b>Measured at fair value through Other Comprehensive Income (FVTOCI)</b>				
As at 31st March 2023				
Investments	132.08	-	-	132.08
As at 31st March 2022				
Investments	149.76	-	-	149.76
<b>Measured at amortised cost for which fair value is disclosed</b>				
As at 31st March 2023				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 31st March 2022				
Deferred Sales Tax Loan	1.17	-	-	1.17

26.7 No Preference Dividend is payable to Preference Shareholders in respect of aforesaid 10% Cumulative Redeemable Preference Shares as they have waived their right in respect of any Preference dividend from the date of allotment of these Shares till the date of their redemption and measured at amortised cost. These Preference Shares are due for redemption on 9th January, 2022 but have been extended for a period of 3 Years i.e, 9th January, 2025.



# HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs in Lacs

## 26.8 Earnings Per Share

Particulars	2022-23	2021-22
(A) Earnings available for Equity Shareholder (Rs in lacs)		
From Continuing	10,347.59	3,991.51
From Discontinuing	(477.46)	(433.76)
(B) Weighted Average Number of Equity Shares		
From Continuing	61,94,996	61,94,996
From Discontinuing	61,94,996	61,94,996
(C) Earnings Per Share (basic/diluted)		
From Continuing	167.03	64.43
From Discontinuing	(7.71)	(7.00)
(D) Earnings Per Share (basic/diluted) for Continuing and Discontinuing Operations	159.32	57.43

## 26.10 Additional Regulatory Information

- (i) The Title Deeds of all the immovable properties held by the company as on 31st March, 2023 and 31st March, 2022 are in the name of the company, other than Immovable Property disclosed below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Building	364.55(in lacs)	Neptune Exports Limited (Transferor Company which amalgamated with the Company with effect from 01.04.2019.)		4/1/2019	Acquired on account of amalgamation

- (ii) There is no Investment Property held by the company as on 31st March 2023 and 31st March 2022 so disclosure regarding valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- (iii) The Company has not revalued any of the Property, Plant and Equipment (Including Right-of Use Assets) held as on 31st March 2023 and 31st March 2022 so disclosure regarding valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- (iv) There is no intangible asset held by the company as on 31st March 2023 and 31st March 2022 so disclosure regarding valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- (v) The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person. So, disclosure regarding the same is not required.
- (vi) Capital Work-in Progress (CWIP):-  
Capital Work-in Progress Ageing Schedule

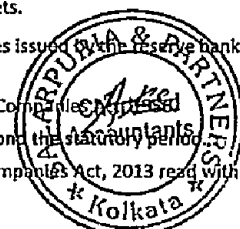
CWIP	Amount in Capital work-in-progress for a period of:				As at 31.03.2023
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	0.29	0.38	0.39	76.66	77.72

CWIP	Amount in Capital work-in-progress for a period of:				As at 31.03.2022
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	0.38	0.39	0.22	76.44	77.43

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March, 2023 and 31st March, 2022.

- (vii) Intangible assets under development - There is no such Intangible assets under development as on 31st March 2023 and 31st March 2022.
- (viii) No such Proceeding have been initiated or pending against the company for holding any benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, so disclosure regarding this is not Applicable.
- (ix) No Such borrowings from banks and Financial institutions has been taken by the company on the basis of Security of current assets.
- (x) The Company is not declared wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines issued by the Reserve Bank of India.
- (xi) The company has no such transactions with company struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (xiii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.



**HINDUSTHAN UDYOG LTD.**
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**
**xiv) Keys Ratios:**

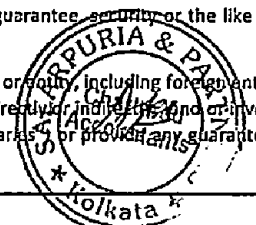
Ratios	Numerator	Denominator	2022-23	2021-22	Percentage of Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	7.62	2.30	231.68%	Due to decrease in short term advances received from customers and others
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.08	0.01	449.86%	Due to loan taken from Axis Finance Limited
Debt - Service Coverage Ratio*	Earning available for debt service	Debt Services	3.41	-	-	Due to loan taken from Axis Finance Limited
Return on Equity Ratio	Net Profit after Taxes - Preference Dividend (if any)	Average Shareholders Equity	26.03%	11.39%	128.66%	Due to exceptional profit from sale of Property Plant & Equipment of nagpur unit
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.85	1.84	54.71%	Due to transfer of inventory to WPIL Limited.
Trade Receivable Turnover Ratio	Net Credit Sales	Average Accounts Receivable	2.80	2.10	33.75%	Due to increase in revenue of operation
Trade Payables Turnover Ratio	Net Credit purchases	Average Accounts Payable	1.43	1.70	-15.45%	NA
Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital	0.15	0.11	33.61%	Due to increase in revenue of operation
Net Profit Ratio	Net Profit	Net Sales	8.37	4.62	81.08%	Due to Increase in profit due to sale of some Property Plant & Equipment of nagpur unit.
Return on Capital Employed	Earning before interest and taxes	Capital Employed	0.26	0.13	104.87%	Due to increase in profit due to sale of nagpur unit and Increase in share of profit from associate
Return on Investment						
(a) Quoted	Income generated from Invested fund	Fund Invested	-12.84%	29.80%	143.09%	Due to fluctuation in market price.
(b) Unquoted	Income generated from Invested fund	Fund Invested	0.00%	-24.03%	-100.01%	No additional return during the year.
(c) Mutual Fund	Income generated from Invested fund	Fund Invested	0.40%	4.33%	-90.72%	Due to sale of mutual fund

\* However, preference share which is to be redeemed in the year 2025 is not considered for calculation of Debt service coverage ratio.

(xv) No Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013, so the disclosure regarding this is not applicable.

(xvi) A) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**HINDUSTHAN UDYOG LTD****NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

- 26.11 There is no such transactions is recorded in the books of accounts that has been surrendered or disclosed as income during the year in the Tax Assessments under the Income Tax Act, 1961 (Such as, search or Survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme. Also, there is no such previously unrecorded income and related assets have been properly recorded in the books of account during the year.
- 26.12 As per section 135 of the Companies Act 2013, the Company is required to spend, in every financial year, at least 2% of the Average net profit made during three immediately preceding financial years. Since the Company has no Average Net Profit during the said period, so the company did not spend any amount in Corporate Social Responsibility activities during the current financial year.
- 26.13 The company has not traded and invested in crypto currency or Virtual Currency during the Financial Year 2022-23.
- 26.14 The Processing Fees is amortised throughout the tenure of the Loan taken from Axis Finance Limited.
- 26.15 Further the Board of Directors of the company, have approved a Scheme of Amalgamation/Merger at their meeting held on 29th July 2022 of Asutosh Enterprises Limited with the company with effect from April 1, 2022 subject to the other Statutory Compliances.
- 26.16 Equity Shares issued by the Transferee Company in respect of Business Combination in accordance with Ind AS 103 to the shareholders of Transferor Companies after cancellation of Inter Company Holdings during the year ended 31st March, 2022 as follows:

Name of the Companies	For Transferor Companies Number of Equity Shares Held	Exchange Ratio	Issued Equity Shares of the Company to Shareholders of the Transferor companies	Total Number of Equity Share Post Amalgamation	Percentage of Each Entity Equity shares exchanged
	A	B	C=A*B	D	E=C/D
Tea Time Limited	22,98,819	100:807	2,84,863	61,94,996	4.60%
Neptune Exports Limited	21,94,170	100:936	2,34,420	61,94,996	3.78%
Orient International Limited	16,00,300	100:2555	62,634	61,94,996	1.01%
Northern Projects Limited	14,07,870	100:837	1,68,204	61,94,996	2.72%
			7,50,121		

Net assets Taken after adjusting reserve and surplus Rs. 510.85 Lac for which Equity Share Capital issued for Rs. 75.01 Lac rest Rs. 435.85 Lac treated as Capital Reserve.





**HINDUSTHAN UDYOG LTD**

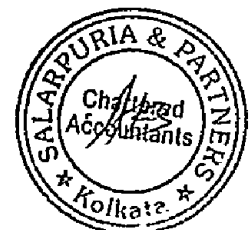
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

## 26.17 Additional Information

As at and for the year ended 31st March, 2023

(Rs. In Lacs)

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive	Amount	As % of total comprehensive income	Amount
Parent	2782.86%	11,881.46	27.63%	2,858.76	248.50%	505.33	31.88%	3,364.09
Subsidiary								
Bharat Oil and Chemical Industries Limited (74.99%)	11.24%	48.00	0.00%	-	0.00%	-	0.00%	-
Non- Controlling Interest in Subsidiary								
Bharat Oil and Chemical Industries Limited (74.99%)	4.69%	20.01	0.00%	-	0.00%	-	0.00%	-
Associates (Investment as per the equity method)								
<b>INDIAN</b>								
WPIL Limited (39.54%)	7149.12%	30,523.32	72.28%	7,479.59	-148.50%	(301.98)	68.03%	7,177.61
Asutosh Enterprises Limited (36.12%)	45.04%	192.29	0.39%	40.14	0.00%	-	0.38%	40.14
Bengal Steel Industries Limited (38.13%)	7.52%	32.10	0.07%	7.10	0.00%	-	0.07%	7.10
Hindusthan Parsons Limited (41.55%)	-5.32%	(22.72)	-0.03%	(2.80)	0.00%	-	-0.03%	(2.80)
H. S. M. International Private Limited (30.25%)	0.24%	1.02	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Spaans Babcock India Limited (45%)	4.62%	19.73	-0.34%	(35.16)	0.00%	-	-0.33%	(35.16)
<b>TOTAL</b>	<b>100.00%</b>	<b>42,695.22</b>	<b>100.00%</b>	<b>10,347.59</b>	<b>100.00%</b>	<b>203.35</b>	<b>100.00%</b>	<b>10,550.94</b>



**HINDUSTHAN UDYOG LTD**

Notes to the Consolidated Financial Statements for the year ended 31.03.2023

26.18 Disclosures as required under Indian Accounting Standard 19 on "Employee Benefits"

**A. Defined Benefit Plan**

The Company has unfunded scheme for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon tenure of service for each year of completed service subject to minimum five years of service payable at the time of separation upon superannuation or on exit otherwise.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans .

Rs in Lacs

PARTICULARS	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
<b>1. Change in the Defined Benefit Obligation</b>				
- Defined Benefit Obligation as at the beginning	15.99	229.99	3.18	35.26
- Current Service Cost	1.23	11.03	0.18	1.74
- Interest Expense or Cost	1.09	14.26	0.22	2.19
- Actuarial (gains) / losses arising from:	-	-	-	-
change in demographic assumptions	-	-	-	-
change in financial assumptions	(0.28)	(5.89)	(0.02)	(0.58)
experience variance	0.64	5.66	(0.17)	(3.96)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Benefits paid	(1.75)	(18.12)	(0.40)	(3.86)
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
- Present Value of Obligation as at the end	16.92	236.93	2.98	30.78
<b>2. Expenses recognised in the statement of Profit &amp; Loss</b>				
- Current Service Cost	1.23	11.03	0.18	1.74
- Interest Expense or Cost	1.09	14.26	0.22	2.19
- Actuarial (gains) / losses arising from:	-	-	-	-
change in demographic assumptions	-	-	-	-
change in financial assumptions	(0.28)	-	(0.02)	(0.58)
experience variance	0.64	-	(0.17)	(3.96)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
<b>Total</b>	<b>2.68</b>	<b>25.29</b>	<b>0.20</b>	<b>(0.62)</b>
<b>3. Other Comprehensive Income</b>				
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	(0.28)	(5.89)	(0.02)	-
experience variance	0.64	5.66	(0.17)	-
<b>Total</b>	<b>0.36</b>	<b>(0.23)</b>	<b>(0.19)</b>	<b>-</b>
<b>4. Actuarial Assumptions</b>				
(a) Financial Assumptions				
Discount rate p.a	7.15%	6.70%	7.15%	6.70%
Salary growth rate p.a	5.00%	5.00%	5.00%	5.00%

26.19 Previous years' figures have been regrouped and rearranged, wherever necessary.

For Salarpuria &amp; Partners

Chartered Accountants

Firm No. Reg. No. 1002135

Anil Kumar Sureka

Place: Kolkata

Date: 30/03/2023

Membership No.-304607

Partner



For and on behalf of the Board of Directors

Ratna Aggarwal

Sukesh Bajaj

Company Secretary

Directors